

34:8-67

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2001 **CHAPTER:** 260
NJSA: 34:8-67 (Regulates employee leasing companies)
BILL NO: S1466 (Substituted for A3066)
SPONSOR(S): Inverso and Vitale
DATE INTRODUCED: June 19, 2000
COMMITTEE: **ASSEMBLY:** Labor
 SENATE: Commerce
AMENDED DURING PASSAGE: Yes
DATE OF PASSAGE: **ASSEMBLY:** March 29, 2001; re-enacted November 29, 2001
 SENATE: March 29, 2001; re-enacted June 21, 2001
DATE OF APPROVAL: December 6, 2001

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (3rd reprint enacted)

(Amendments during passage denoted by superscript numbers)

S1466

SPONSORS STATEMENT: (Begins on page 8 of original bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: Yes

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: No

A3066

SPONSORS STATEMENT: (Begins on page 8 of original bill) Yes

COMMITTEE STATEMENT:	ASSEMBLY:	Yes
	SENATE:	No
FLOOR AMENDMENT STATEMENTS:		No
LEGISLATIVE FISCAL ESTIMATE:		Yes
FINAL VERSION: (Assembly Committee Substitute)		Yes
VETO MESSAGE:		Yes
GOVERNOR'S PRESS RELEASE ON SIGNING:		No

FOLLOWING WERE PRINTED:

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HEARINGS:	No
NEWSPAPER ARTICLES:	No

ASSEMBLY, No. 2804

STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED OCTOBER 5, 2000

Sponsored by:

Assemblyman DAVID C. RUSSO

District 40 (Bergen and Passaic)

Assemblyman NEIL M. COHEN

District 20 (Union)

Co-Sponsored by:

**Assemblymen Azzolina, Barnes, Assemblywoman Buono and
Assemblyman Holzapfel**

SYNOPSIS

Establishes the Workers Compensation Judges Retirement System.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/8/2000)

1 AN ACT establishing the Workers Compensation Judges Retirement
2 System and supplementing Title 43 of the Revised Statutes.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. This act shall be known and may be cited as the "Workers
8 Compensation Judges Retirement System Act."

9
10 2. If any provision, section, or part of any section of this act is
11 declared to be unconstitutional, the same shall not be held to affect any
12 other provision, section, or part of any section of this act, and the
13 remainder of this act shall in no way thereby be invalidated.

14
15 3. As used in this act:

16 "Accumulated deductions" means the sum of all amounts, deducted
17 from the compensation of a member or contributed by or on behalf of
18 the member, standing to the credit of the member's individual account
19 in the annuity savings fund.

20 "Annuity" means payments for life derived from the accumulated
21 deductions of a member as provided in this act.

22 "Annuity reserve" means the present value of all payments to be
23 made on account of any annuity or benefit in lieu of an annuity
24 computed on the basis of such mortality tables recommended by the
25 actuary as the board of trustees adopts with regular interest.

26 "Beneficiary" means any person entitled to receive any benefit
27 pursuant to the provisions of this act by reason of the death of a
28 member or retirant.

29 "Child" means a deceased member's or retirant's unmarried child
30 who is (a) under the age of 18; (b) of any age who, at the time of the
31 member's or retirant's death, is disabled because of mental retardation
32 or physical incapacity, is unable to do any substantial, gainful work
33 because of the impairment, and the impairment has lasted or can be
34 expected to last for a continuous period of not less than 12 months, as
35 affirmed by the medical board; or (c) under the age of 21 and is
36 attending school full time.

37 "Compensation" means the base salary, for services as a member as
38 defined in this act, which is in accordance with established salary
39 policies of the State for all employees in the same position, but shall
40 not include individual salary adjustments which are granted primarily
41 in anticipation of the member's retirement or additional remuneration
42 for performing temporary duties beyond the regular work schedule.

43 "Division" means the Division of Pensions and Benefits in the
44 Department of Treasury

45 "Final salary" means the annual salary received by the member at
46 the time of retirement or death.

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

3 "Medical board" means the board of physicians provided for in
4 section 7 of this act.

5 "Member" means the Chief Judge, the administrative supervisory
6 judges, the supervisory judges, and the judges of compensation of the
7 Division of Workers' Compensations of the Department of Labor
8 required to be enrolled in the retirement system established by this act.

9 "Parent" means the parent of a member who was receiving at least
10 one-half of the parent's support from the member in the 12-month
11 period immediately preceding the member's death or the accident
12 which was the direct cause of the member's death. The dependency of
13 such a parent shall be considered terminated by marriage of the parent
14 subsequent to the death of the member.

15 "Pension" means payment for life derived from contributions by the
16 State.

17 "Pension reserve" means the present value of all payments to be
18 made on account of any pension or benefit in lieu of a pension
19 computed on the basis of such mortality tables recommended by the
20 actuary as shall be adopted by the board of trustees with regular
21 interest.

22 "Regular interest" means interest as determined by the State
23 Treasurer, after consultation with the Director of the Division of
24 Investment, the Director of the Division of Pensions and Benefits, the
25 board of trustees, and the actuary of the system, which interest shall
26 bear a reasonable relationship to the percentage rate of earnings on
27 investments based on the market value of assets, but shall not exceed
28 the assumed percentage rate of increase applied to salaries plus 3%,
29 provided, however, that the board of trustees shall not set the average
30 percentage rate of increase applied to salaries below 6%.

31 "Retirant" means any former member receiving a pension or
32 retirement allowance as provided by this act.

33 "Retirement allowance" means the pension plus the annuity.

34 "Retirement system" or "system" herein refers to the Workers
35 Compensation Judges Retirement System of New Jersey, which is the
36 corporate name of the arrangement for the payment of pensions,
37 retirement allowances, and other benefits under the provisions of this
38 act including the several funds placed under the system.

39 "Service" means public service rendered for which credit is allowed
40 on the basis of contributions made by the State.

41 "Widow" means the woman to whom a member or a retirant was
42 married at least four years before the date of his death and to whom
43 he continued to be married until the date of his death. In the event of
44 accidental death, the four-year qualification shall be waived. When
45 used in this act, the term "widow" shall mean and include "widower"
46 as may be necessary and appropriate to the particular situation.

1 "Widower" means the man to whom a member or a retirant was
2 married at least four years before the date of her death and to whom
3 she continued to be married until the date of her death. In the event of
4 accidental death, the four-year qualification shall be waived.

5
6 4. There is hereby established the Workers Compensation Judges
7 Retirement System of New Jersey in the Division of Pensions and
8 Benefits of the Department of the Treasury. The retirement system
9 shall have the powers and privileges of a corporation. Its purpose
10 shall be to provide pensions and other benefits for its members and
11 their beneficiaries in accordance with the provisions of this act. By
12 that name, all of its business shall be transacted, its funds invested,
13 warrants for money drawn, and payments made and all of its cash and
14 securities and other property held.

15
16 5. The membership of the retirement system shall include the Chief
17 Judges, the administrative supervisory judges, the supervisory judges
18 and the judges of compensation of the Division of Workers'
19 Compensation of the Department of Labor. Membership in the
20 retirement system shall be a condition for service for the judges herein
21 listed and shall cease upon retirement, death or resignation.

22
23 6. Not more than one year shall be credited in the retirement
24 system for all service in a calendar year. In computing years of
25 service, any service for which the member did not receive an annual
26 salary or compensation of at least \$500 shall be disregarded. Only
27 service as a public employee of New Jersey shall be considered.

28
29 7. a. The general responsibility for the proper operation of the
30 retirement system shall be vested in the board of trustees. Subject to
31 the limitations of the law, the board shall annually establish rules and
32 regulations for the administration and transaction of its business and
33 for the control of the funds created by this act. Such rules and
34 regulations shall be consistent with those adopted by the other pension
35 funds within the division in order to permit the most economical and
36 uniform administration of all such retirement systems.

37 The membership of the board shall consist of the following:

38 (1) two trustees appointed by the Governor, with the advice and
39 consent of the Senate, who shall serve for a term of office of three
40 years and until their successors are appointed, who shall be private
41 citizens of the State of New Jersey and who are neither an officer
42 thereof nor active or retired members of the system. Of the two
43 trustees initially appointed by the Governor, one shall be appointed for
44 a term of two years and one for a term of three years.

45 (2) the State Treasurer or the Deputy State Treasurer, when
46 designated for that purpose by the State Treasurer.

1 (3) two trustees elected for a term of three years by the members
2 of the retirement system from among the active or retired members of
3 the retirement system in a manner prescribed by the board of trustees.

4 A vacancy occurring in the board of trustees shall be filled by the
5 appointment or election of a successor in the same manner as the
6 predecessor.

7 Each trustee of the board shall, upon appointment or election, take
8 an oath of office that the trustee will diligently and honestly administer
9 the board's affairs and will not knowingly violate or willfully permit to
10 be violated any provision of this act or any other law applicable to this
11 act. The oath shall be subscribed to by the trustee making it, certified
12 by the officer before whom it is taken and filed immediately in the
13 office of the Secretary of State.

14 The board shall elect annually from its membership a chairman and
15 may also elect a vice-chairman who shall have all the power and
16 authority of the chairman in the event of the death, absence or
17 disability of the chairman.

18 Each trustee shall be entitled to one vote in the board and a
19 majority of all the votes of the entire board shall be necessary for a
20 decision by the board of trustees at a meeting of the board. The board
21 shall keep a record of all its proceedings, which shall be open to public
22 inspection.

23 The trustees of the board shall serve without compensation but shall
24 be reimbursed for any necessary expenditures. No judge of
25 compensation shall suffer loss of salary or wages through serving on
26 the board.

27 b. The State Treasurer shall designate a medical board after
28 consultation with the director of the division, subject to veto by the
29 board of trustees for valid reason. The board shall be composed of
30 three physicians. The medical board shall pass upon all medical
31 examinations required under the provisions of this act, investigate all
32 essential statements and certificates by or on behalf of a member in
33 connection with an application for disability retirement, and report in
34 writing to the retirement system its conclusions and recommendations
35 upon all matters referred to it.

36
37 8. The actuary of the system shall be selected by the Retirement
38 Systems Actuary Selection Committee established by section 19 of
39 P.L.1992, c.125 (C.43:4B-1).

40 The actuary shall be the technical adviser to the board of trustees
41 on matters regarding the operation of the funds created by the
42 provisions of this act and shall perform such other duties as are
43 required in connection therewith.

44 The Attorney General shall be the legal adviser of the retirement
45 system, except that if the Attorney General determines that a conflict
46 of interest would affect the ability of the Attorney General to represent

1 the board on a matter affecting the retirement system, the board may
2 select and employ legal counsel to advise and represent the board on
3 that matter.

4 The chief or assistant chief of the office of secretarial services of
5 the division shall be the secretary of the board.

6 The expenses of administration of the retirement system shall be
7 paid by the State of New Jersey.

8

9 9. The actuary shall recommend, and the division shall keep in
10 convenient form, such data as shall be necessary for actuarial valuation
11 of the various funds created by this act. At least once in every
12 three-year period, the actuary shall make an actuarial investigation into
13 the mortality, service, and compensation or salary experience of the
14 members and beneficiaries as defined in this act and shall make a
15 valuation of the assets and liabilities of the various funds created by
16 this act. Upon the basis of such investigation and valuation, with the
17 advice of the actuary, the board of trustees shall:

18 a. adopt for the retirement system such mortality, service and other
19 tables as shall be deemed necessary; and

20 b. certify the rates of contribution, expressed as a proportion of the
21 compensation of members, which shall be made by the State to the
22 contingent reserve fund.

23

24 10. Annuity values, including actuarial equivalents under optional
25 selections, for all members of the retirement system shall be
26 determined without reference to sex, provided, however, that this act
27 shall not limit the actuary from using sex as a factor in the actuarial
28 valuation required pursuant to section 9 of this act.

29

30 11. The retirement system shall publish annually a report showing
31 a valuation of the assets and liabilities of the funds created by this act,
32 certifying as to the accumulated cash and securities of the funds and
33 stating other facts pertaining to the system. The board shall submit the
34 report to the Governor and furnish a copy to the Department of Labor
35 and the Division of Workers' Compensation for use of the members
36 and the public.

37

38 12. Under this act, there shall be established a contingent reserve
39 fund, an annuity savings fund, and a retirement reserve fund.

40

41 13. The contingent reserve fund shall be the fund in which shall be
42 credited contributions made by the State.

43 a. Upon the basis of the tables recommended by the actuary which
44 the board of trustees adopts and regular interest, the actuary shall
45 compute annually the amount of the contribution, expressed as a
46 proportion of the compensation paid to all members, which if paid

1 monthly during the entire prospective service of the members, shall be
2 sufficient to provide for the pension reserves required at the time of
3 discontinuance of active service to cover all pensions to which they
4 may be entitled or which are payable on their account and to provide
5 for the amount of the death benefits payable on their account, which
6 amount is not covered by other contributions to be made as provided
7 in this section and the funds in hand available for such benefits. This
8 shall be known as the "normal contribution."

9 b. Upon the basis of the tables recommended by the actuary which
10 the board adopts and regular interest, the actuary shall compute the
11 amount of the unfunded liability as of the effective date of this act,
12 which has accrued on the basis of services rendered prior to the day
13 after that effective date by all members, including the amount of the
14 liability accrued by reason of pensions to be granted on account of
15 services rendered by members, which has not already been covered by
16 previous State contributions to the Public Employees' Retirement
17 System, P.L.1954, c.84 (C.43:15A-1 et seq.), transferred to the
18 retirement system under provision of subsection d. Using the total
19 amount of this unfunded accrued liability, the actuary shall compute
20 the amount of the flat annual payment which, if paid in each
21 succeeding fiscal year commencing with one year and one day after the
22 effective date of this act for a period of 40 years, shall provide for this
23 liability. This shall be known as the "unfunded accrued liability."

24 c. The actuary shall certify annually the aggregate amount payable
25 to the contingent reserve fund in the ensuing fiscal year, which amount
26 shall be equal to the sum of the proportion of the earnable salary of all
27 members, computed as described in subsection a., and of the State's
28 accrued liability contribution, payable in the ensuing fiscal year, as
29 described in subsection b. The State shall pay into the contingent
30 reserve fund during the ensuing fiscal year the amount so determined.

31 The cash death benefits, payable as the result of contribution by the
32 State under the provisions of this act upon the death of a member in
33 active service and after retirement, shall be paid from the contingent
34 reserve fund.

35 d. Within 90 days following the effective date of this act, the Public
36 Employees' Retirement System shall transfer that portion of the
37 actuarial reserves established in that system on the basis of
38 contributions made by the State on behalf of those judges of
39 compensation whose membership in the Public Employees' Retirement
40 System shall be terminated by provisions of this act and whose
41 retirement and death benefit coverage shall be provided by the
42 Workers Compensation Judges Retirement System. This transfer of
43 the reserves to the retirement system established by this act shall be
44 accomplished upon certification by the consulting actuary of the Public
45 Employees' Retirement System as to the amounts to be transferred.

1 14. a. The annuity savings fund shall be the fund in which shall be
2 credited aggregate contributions made by members or on their behalf
3 to provide for their allowances. The aggregate contributions of a
4 member withdrawn by the member or paid to the member's estate or
5 the member's designated beneficiary in the event of death as provided
6 by this act shall be paid from the annuity savings fund. Upon the
7 retirement of a member where the aggregate contributions of the
8 member are to be provided in the form of an annuity, the aggregate
9 contributions of the member shall be transferred from the annuity
10 savings fund to the retirement reserve fund.

11 b. During each pay period, there shall be deducted from the payroll
12 of each member of the system the same percentage of compensation
13 for the position held by the member as is required to be contributed by
14 a member of the Public Employees' Retirement System pursuant to
15 section 25 of P.L.1954, c.84 (C.43:15A-25).

16 Every judge of compensation to whom this act applies shall be
17 deemed to consent and agree to any deduction from the member's
18 compensation required by this act and to all other provisions of this
19 act. Notwithstanding any other law, rule or regulation affecting the
20 salary, pay, compensation, other perquisites, or tenure of person to
21 whom this act applies, or shall apply, and notwithstanding that the
22 minimum salary, pay, or compensation or other perquisites provided
23 by law for the member shall be reduced thereby, payment, less such
24 deductions, shall be a full and complete discharge and acquittance of
25 all claims and demands for service rendered by the member during the
26 period covered by such payment.

27

28 15. The retirement reserve fund shall be the fund from which all
29 pensions and retirement allowances shall be paid.

30 Upon the retirement of the member, the member's accumulated
31 deductions together with regular interest shall be transferred to the
32 retirement reserve fund from the annuity savings fund. The reserve
33 needed to produce the pension shall be transferred from the contingent
34 reserve fund. If the pension of a member who has been retired is
35 subsequently canceled, the appropriate reserve shall be transferred to
36 the contingent reserve fund. If the retirement allowance of a member
37 who has been retired is subsequently canceled, the appropriate reserve
38 shall be transferred to the annuity savings fund and the contingent
39 reserve fund.

40 Any surplus or deficit developing in the retirement reserve fund
41 shall be adjusted from time to time by transfer to or from the
42 contingent reserve fund by appropriate action of the retirement system
43 upon the advice of the actuary.

44

45 16. The board of trustees at the end of each fiscal year shall allow
46 interest on the balance of the contingent reserve fund, the annuity

1 savings fund, and the retirement reserve fund as of the beginning of
2 said fiscal year at the regular interest rate applicable thereto to cover
3 the interest creditable to the respective funds for the year. The
4 amount so allowed shall be due and payable to the funds and shall be
5 credited annually thereto by the board.

6
7 17. Regular interest charges payable, the creation and maintenance
8 of reserves in the contingent reserve fund, the maintenance of
9 retirement reserves as provided for in this act, and the payment of all
10 pensions, retirement allowances, and other benefits granted by the
11 board of trustees under the provisions of this act are hereby made
12 obligations of the State. All income, interest, and dividends derived
13 from deposits and investments authorized by this act shall be used for
14 the payment of these obligations of the State.

15 Upon the basis of such actuarial determination and appraisal
16 provided for in this act, an itemized estimate of the amounts necessary
17 to be appropriated by the State to the various funds to provide for the
18 payment in full during the ensuing fiscal year of the obligations of the
19 State accruing during that year shall be submitted by the retirement
20 system to the Governor so that it may be included in the budget
21 request submitted by the Governor to the Legislature. The Legislature
22 shall make an appropriation sufficient to provide for such obligations
23 of the State. The amounts so appropriated shall be paid into the
24 contingent reserve fund.

25
26 18. a. No other provisions of the law in any other statute which
27 provides wholly or partly at the expense of the State of New Jersey,
28 or any political subdivision thereof, for pensions or retirement benefits
29 for members of this system and for beneficiaries shall apply to such
30 members or beneficiaries.

31 b. Notwithstanding anything to the contrary, the retirement system
32 shall not be liable for the payment of any pensions, retirement
33 allowances or other benefits to any member or beneficiary for which
34 reserves have not been previously created from funds contributed by
35 the members or the State for such benefits.

36
37 19. Any member of the retirement system who has reached the age
38 of 70 years shall be retired forthwith. Any other eligible member of
39 the retirement system may be retired on the first day of the next
40 calendar month subsequent to the filing of a written and duly executed
41 application with the retirement system. Such application shall be
42 accompanied by a copy of the member's resignation which has been
43 filed in the office of the Director of the Division of Workers'
44 Compensation.

45
46 20. a. Any member who has served at least 10 years as a judge of

1 compensation and attained the age of 70 years shall be retired.

2 b. Any member who has served at least 15 years as a judge of
3 compensation and attained the age of 65 years but not the age of 70
4 years, may retire.

5 c. Any member who has served at least 20 years as a judge of
6 compensation and attained the age of 60 years but not the age of 65
7 years, may retire.

8 d. Any member of the retirement system eligible to retire under the
9 provisions of this section shall receive a retirement allowance
10 consisting of an annuity which shall be the actuarial equivalent of the
11 member's accumulated deductions together with regular interest, and
12 a pension which, when added to the member's annuity, shall provide
13 a retirement allowance during the remainder of the member's life in the
14 amount equal to three-quarters of the member's final salary.

15

16 21. a. Any member who has served at least five years successively
17 as a judge of compensation and attained the age of 65 years or more
18 while serving in such office and has served at least 15 years in the
19 aggregate, including such service as a judge, or in an office, position,
20 or employment of this State or of a county, municipality, board of
21 education or public agency of this State, may retire.

22 b. Any member who has served at least five years successively as
23 a judge of compensation and attained the age of 60 years or more
24 while serving in such office and has served at least 20 years in the
25 aggregate, including such service as a judge, or in an office, position,
26 or employment of this State or of a county, municipality, board of
27 education or public agency of this State, may retire.

28 c. Any member of the retirement system, eligible to retire under the
29 provisions of this section, shall receive a retirement allowance
30 consisting of an annuity which shall be the actuarial equivalent of the
31 member's accumulated deductions together with regular interest, and
32 a pension which, when added to the member's annuity, shall provide
33 a retirement allowance during the remainder of the member's life in an
34 amount equal to one-half of the member's final salary.

35

36 22. Any member who has served at least five years successively as
37 a judge of compensation and at least 25 years in the aggregate,
38 including such service as a judge or in an office, position, or
39 employment of this State or a county, municipality, board of
40 education, or public agency of this State, and who resigns or is not
41 reappointed before reaching age 60, may elect "early" retirement,
42 provided, that such election is communicated by the member to the
43 retirement system by filing a written application, duly attested, stating
44 at what time subsequent to the execution and filing thereof the member
45 desires to be retired. Any member of the retirement system, eligible
46 to retire under the provisions of this section, shall receive a retirement

1 allowance consisting of an annuity which shall be the actuarial
2 equivalent of the member's accumulated deductions together with
3 regular interest, and a pension which, when added to the member's
4 annuity, shall provide a retirement allowance during the remainder of
5 the member's life in the amount of 2% of the member's final salary
6 multiplied by the number of years of service up to 25 plus 1% of the
7 member's final salary multiplied by the number of years of service over
8 25. Such retirement allowance shall be reduced in accordance with a
9 table of actuarial equivalents recommended by the actuary and adopted
10 by the retirement system reflecting all months that the member lacks
11 of being age 60.

12 The board of trustees shall retire the member at the time specified
13 or at such other time within one month after the date so specified as
14 the board finds advisable.

15

16 23. Any member who has served at least five years successively as
17 a judge of compensation and at least 10 years in the aggregate,
18 including such service as a judge or in an office, position, or
19 employment of this State or a county, municipality, board of
20 education, or public agency of this State, and who resigns or is not
21 reappointed before reaching age 60, and not by removal for cause on
22 charges of misconduct or delinquency, may elect to receive:

23 a. All of the member's accumulated deductions standing to the
24 credit of the member's individual account in the annuity savings fund,
25 or

26 b. A deferred retirement allowance, beginning on the first day of
27 the month following the member's attainment of age 60 and the filing
28 of an application therefor, which shall consist of an annuity derived
29 from the accumulated deductions standing to the credit of the
30 member's account in the annuity savings fund at the time of severance
31 from service together with regular interest, and a pension which, when
32 added to the annuity, will produce a retirement allowance in the
33 amount of 2% of the member's final salary multiplied by the number of
34 years of service up to 25 plus 1% of the member's final salary
35 multiplied by the number of years of service over 25, provided that
36 such inactive member may elect to receive payments provided under
37 section 22 of this act if the member had qualified under that section at
38 the time of leaving service, except that in order to avail the member of
39 the option, the member shall exercise such option at least one month
40 before the effective date of retirement.

41 If such inactive member shall die after attaining age 60 but before
42 filing an application for retirement benefits pursuant to this section or
43 section 22 of this act and for which benefits the member would have
44 qualified, or in the event of death after retirement, there shall be paid
45 to such member's beneficiary the death benefits prescribed by section
46 32 of this act.

1 No beneficiary shall be eligible for a pension or survivor's benefit if
2 the member who elected to receive a deferred pension prior to the
3 effective date of this act or who elects to receive a deferred retirement
4 allowance following the effective date of this act shall die before
5 attaining age 60. Upon receipt of the proper proofs of death, the
6 beneficiary of a member who elects to receive a deferred retirement
7 allowance shall be paid the member's accumulated deductions at the
8 time of death together with regular interest.

9 Any member who, having elected to receive a deferred pension or
10 deferred retirement allowance, again becomes a member while under
11 the age of 60, shall thereupon be reenrolled. The member shall be
12 credited with all service as a member standing to the member's credit
13 at the time of the member's election to receive a deferred pension or
14 deferred retirement allowance.

15
16 24. At the time of retirement, a member shall receive benefits in a
17 retirement allowance payable throughout life, or the member may, on
18 retirement, elect to receive the actuarial equivalent of the member's
19 retirement allowance, in a lesser retirement allowance payable
20 throughout life, with the provision that:

21 Option 1. If the member dies before the member has received in
22 payments the present value of the retirement allowance as it was at the
23 time of retirement, the balance shall be paid to the member's legal
24 representative or to such person as the member shall nominate by
25 written designation acknowledged and filed with the retirement
26 system, either in a lump sum or by equal payments over a period of
27 years at the option of the payee. If the member shall have designated
28 a natural person as the payee, said payee may elect to receive such
29 payments in the form of a life annuity.

30 Option 2. Upon death, the member's retirement allowance shall be
31 continued throughout the life of and paid to such person as the
32 member shall nominate by written designation duly acknowledged and
33 filed with the retirement system at the time of retirement.

34 Option 3. Upon death, one-half of the member's retirement
35 allowance shall be continued throughout the life of and paid to such
36 person as the member shall nominate by written designation duly
37 acknowledged and filed with the retirement system at the time of
38 retirement.

39 Option 4. Some other benefit or benefits shall be paid either to the
40 member or to whomever the member nominates, if such other benefit
41 or benefits, together with the lesser retirement allowance, shall be
42 certified by the actuary to be of equivalent actuarial value. In no case,
43 however, shall the lesser retirement allowance be smaller than that
44 provided under Option 2.

45 If the total amount of benefits paid to a retirant who does not elect
46 to receive benefits in the form of an optional settlement, or to the

1 retirant and the designated beneficiary in the case of a retirant who
2 does so elect, before the death of the retirant or the retirant and the
3 beneficiary is less than the deductions accumulated in the retirant's
4 account at the time of retirement, including regular interest, the
5 balance shall be paid in one lump sum to the retirant's designated
6 beneficiary or estate in the manner provided in section 50 of this act.

7 If a member dies within 30 days after the date of retirement or the
8 date of board approval, whichever is later, the member's retirement
9 allowance shall not become effective and the member shall be
10 considered an active member at the time of death. However, if the
11 member dies after the date the application for retirement was filed with
12 the system, the retirement shall become effective if:

13 a. the deceased member had designated a beneficiary under an
14 optional settlement provided by this section; and

15 b. the surviving beneficiary requests in writing that the board make
16 such a selection. Upon formal action by the board approving that
17 request, the request shall be irrevocable.

18 The board may select an Option 3 settlement, on behalf of the
19 beneficiary of a member who applied for and was eligible for
20 retirement but who died prior to the effective date of the retirement
21 allowance, if all of the above conditions, with the exception of
22 paragraph a., are met.

23

24 25. Notwithstanding the provisions of this act or any other law to
25 the contrary, whenever a member of the retirement system elects a
26 retirement allowance which is payable for the life of the member only
27 and terminating at the member's death, without refund of any kind to
28 the spouse, the member shall be required, before electing that benefit,
29 to sign a form stating that the member has elected that benefit, that the
30 member understands that it is payable during the member's lifetime
31 only and that no benefits shall be payable to the member's spouse after
32 death. The division shall notify the member's spouse if the member
33 identifies the spouse on the form. Notification shall be by certified
34 mail to the spouse's address as provided on the form by the member.
35 If the member has not provided an address for the spouse on the form,
36 the division shall send the notice, by certified mail, to the spouse at the
37 member's address. The notice shall advise the spouse that the
38 retirement benefit chosen by the member is payable during the
39 member's lifetime only and that no benefits, other than any applicable
40 life insurance benefits, shall be payable to the beneficiary after the
41 member's death.

42

43 26. A member who has 10 or more years of credit for New Jersey
44 service, upon the application of the head of the Department of Labor
45 or upon the member's own application or the application of one acting
46 in the member's behalf, shall be retired for ordinary disability by the

1 board of trustees if the physician or physicians designated by the board
2 shall have first made a medical examination of the member at the
3 member's residence or at any other place mutually agreed upon and
4 shall have certified to the board that the member is physically or
5 mentally incapacitated for the performance of duty and should be
6 retired.

7
8 27. A member, upon the application of the head of the Department
9 of Labor or upon the member's own application or the application of
10 one acting in the member's behalf, shall be retired by the board of
11 trustees on an accidental disability allowance, if the member is
12 permanently and totally disabled as a direct result of a traumatic event
13 occurring during and as a result of the performance of regular or
14 assigned duties. A traumatic event occurring during voluntary
15 performance of regular or assigned duties at a place of employment
16 before or after required hours of employment, which is not in violation
17 of any valid work rule of the employer or otherwise prohibited by the
18 employer, shall be deemed as occurring during the performance of
19 regular or assigned duties.

20 The application to accomplish such retirement shall be filed within
21 five years of the original traumatic event, but the board of trustees may
22 consider an application filed after the five-year period if it can be
23 factually demonstrated to the satisfaction of the board of trustees that
24 the disability is due to the accident and the filing was not accomplished
25 within the five-year period due to a delayed manifestation of the
26 disability or to circumstances beyond the control of the member.

27 Permanent and total disability resulting from a cardiovascular,
28 pulmonary or musculo-skeletal condition which was not a direct result
29 of a traumatic event occurring in the performance of duty shall be
30 deemed an ordinary disability.

31 Before consideration of the application by the board of trustees, (1)
32 the physician or physicians designated by the board shall have first
33 made a medical examination of the member at the member's residence
34 or at any other place mutually agreed upon and shall have certified to
35 the board that the member is physically or mentally incapacitated for
36 the performance of duty, and should be retired, and (2) the appointing
37 authority shall have certified to the board of trustees that the member
38 is permanently and totally disabled as a direct result of a traumatic
39 event occurring during and as a result of the performance of regular
40 or assigned duties, the time and place where the duty causing the
41 disability was performed, that the disability was not the result of
42 willful negligence and that the member should be retired.

43
44 28. a. Once each year, the retirement system may, and upon the
45 member's application shall, require any disability retirant who is under
46 the age of 60 years to undergo medical examination by a physician or

1 physicians designated by the system for a period of five years
2 following the retirement in order to determine whether or not the
3 disability which existed at the time the member was retired has
4 vanished or has materially diminished. If the disability retirant is
5 engaged in an occupation, then the amount of the pension shall be
6 reduced to an amount which, when added to the amount then earned,
7 shall not exceed the amount of the salary now attributable to the
8 member's former position. If the member's earnings have changed
9 since the date of the last adjustment, then the amount of the pension
10 may be further altered, but the new pension shall not exceed the
11 amount of pension originally granted.

12 If a disability retirant, while under the age of 60 years, refuses to
13 submit to at least one medical examination in any year by a physician
14 or physicians designated by the system, the member's pension shall be
15 discontinued until withdrawal of the refusal. If the report of the
16 medical board shall show that such retirant is able to perform either
17 the former duty or other comparable duty which the member's former
18 employer is willing to assign to the member, the disability retirant shall
19 report for duty. Such a disability retirant shall not suffer any loss of
20 benefits while the retirant awaits restoration to active service. If the
21 disability retirant fails to return to duty within 10 days after being
22 ordered so to do, or within such further time as may be allowed by the
23 board of trustees for valid reason, as the case may be, the pension shall
24 be discontinued during such default.

25 b. If a disability retirant becomes employed again in a position
26 which makes the retirant eligible to be a member of the retirement
27 system, the retirement allowance and the right to any death benefit as
28 a result of former membership, shall be canceled until the member
29 again retires.

30 Such person shall be reenrolled in the retirement system and shall
31 contribute thereto at a rate based on age at the time of the prior
32 enrollment. Such person shall be treated as an active member for
33 determining disability or death benefits while in service and no benefits
34 pursuant to an optional selection with respect to the member's former
35 membership shall be paid if death shall occur during the period of such
36 reenrollment.

37 Upon subsequent retirement, the member shall receive a retirement
38 allowance based on all service as a member computed in accordance
39 with applicable provisions of this act, but the total retirement
40 allowance upon subsequent retirement shall not be a greater
41 proportion of the member's final compensation than the proportion to
42 which the member would have been entitled had the member remained
43 in service during the period of prior retirement. Any death benefit to
44 which such member shall be eligible shall be based on the member's
45 latest retirement.

1 29. Upon retirement for ordinary disability, a member shall receive
2 a retirement allowance consisting of an annuity which shall be the
3 actuarial equivalent of the member's accumulated deductions together
4 with regular interest, and a pension, which when added to the
5 member's annuity, will provide a retirement allowance of $1\frac{1}{2}$ % of
6 final compensation multiplied by the member's number of years of
7 creditable service, provided that, in no event shall the allowance be
8 less than 40% of final salary, except that in no case shall the rate of
9 allowance exceed $\frac{9}{10}$ of the retirement allowance which the member
10 would have received had the member remained in service from the date
11 of retirement to age 70.

12 Upon the receipt of proper proofs of the death of a member who
13 retired on an ordinary disability retirement allowance, there shall be
14 paid to such member's beneficiary, an amount equal to one and one-
15 half times the compensation upon which contributions by the member
16 to the annuity savings fund were based in the last year of creditable
17 service; provided, however, that if such death shall occur after the
18 member shall have attained age 60, the amount payable shall equal
19 one-fourth of such compensation.

20

21 30. Upon retirement for accidental disability, a member shall
22 receive a retirement allowance consisting of an annuity which shall be
23 the actuarial equivalent of the member's accumulated deductions
24 together with regular interest, and a pension which, when added to the
25 member's annuity, will provide a retirement allowance of $\frac{2}{3}$ of the
26 member's actual annual compensation for which contributions were
27 being made at the time of the occurrence of the accident.

28 Upon receipt of proper proofs of the death of a member who retired
29 on an accidental disability retirement allowance, there shall be paid to
30 such member's beneficiary, an amount equal to one and one-half times
31 the compensation upon which contributions by the member to the
32 annuity savings fund were based in the last year of creditable service;
33 provided, however, that if such death shall occur after the member
34 shall have attained age 60, the amount payable shall equal one-fourth
35 of such compensation.

36

37 31. a. Upon the receipt of proper proofs of the death in active
38 service of a member of the retirement system, there shall be paid to the
39 member's widow a survivor's benefit of 25% of final salary for the use
40 of the widow, to continue during widowhood, plus 10% of final salary
41 payable to one surviving child or plus 15% of final salary to two or
42 more surviving children; if there is no surviving widow or in case the
43 widow dies or remarries, 15% of final salary shall be payable to one
44 surviving child, 20% of final salary to two surviving children in equal
45 shares and if there are three or more children, 30% of final salary shall
46 be payable to such children in equal shares. If there is no surviving

1 widow or child, 20% of final salary shall be payable to one surviving
2 parent or 30% of final salary shall be payable to two surviving parents
3 in equal shares.

4 b. In addition to the benefits payable under subsection a., there
5 shall also be paid in one sum to the member's beneficiary an amount
6 equal to one and one-half times the final salary received by the
7 member.

8 c. For the purposes of this section, final salary means the current
9 salary for the position in which the member served at the time of
10 death.

11 d. The eligibility of a widow or widower to receive a survivor's
12 benefit shall be considered terminated by the marriage of the widow or
13 widower subsequent to the member's death.

14

15 32. a. Upon the receipt of proper proofs of the death of a member
16 who has retired on a pension or retirement allowance based on age and
17 service, or pursuant to section 22 of this act, there shall be paid to the
18 member's beneficiary, an amount equal to one-fourth of the final salary
19 received by the member.

20 b. Upon the receipt of proper proofs of the death of a member who
21 has retired on a disability pension or retirement allowance, there shall
22 be paid to the member's beneficiary, an amount equal to one and
23 one-half times the final salary received by the member if such death
24 occurs before the member shall have attained 60 years of age but if
25 such death occurs thereafter, an amount equal to one-fourth of the
26 final salary received by the member.

27

28 33. Any other provision of this act notwithstanding, (a) no
29 beneficiary of a retirant who retired for any reason other than disability
30 shall be entitled to receive benefits pursuant to the death benefit
31 coverages provided by section 32 of this act if the retirant had less
32 than 10 years of service credit for retirement purposes at the time of
33 retirement; and (b) no member or beneficiary shall be entitled to
34 receive a monthly pension, retirement allowance or other benefit
35 payable pursuant to this act unless the amount of the pension,
36 retirement allowance or benefit would be at least \$25 per month.

37

38 34. a. Each member of the retirement system on the effective date
39 of this act and each person who thereafter becomes a member shall be
40 eligible to purchase the additional death benefit coverage hereinafter
41 described, provided the member selects such coverage within one year
42 after that effective date or after the effective date of membership,
43 whichever date is later.

44 b. A person becoming a member of the retirement system after the
45 effective date of this act who on the date of becoming a member is less
46 than 60 years of age shall automatically be covered for such additional

1 death benefit coverage from the first day of membership on which the
2 person is actively at work and performing all regular duties at the
3 customary place of employment. Such automatic coverage shall
4 continue during the member's first year of membership, and during that
5 year the member shall make contributions as fixed by the retirement
6 system. Additional death benefit coverage for the member shall
7 continue in effect after the first year of membership on the continuance
8 of payment of the required contributions therefor.

9 c. A person becoming a member of the retirement system after the
10 effective date of this act who on the date of becoming a member is 60
11 or more years of age may, within one year from the date of
12 membership, elect to purchase such additional death benefit coverage,
13 provided that the member furnishes satisfactory evidence of
14 insurability and on the date of such election is actively at work and
15 performing all regular duties at the customary place of employment.

16 d. Notwithstanding other provisions of this section relating to the
17 amount of death benefit applicable to a member who has acquired or
18 shall acquire additional death benefit coverage, the death benefit
19 payable in the event of death occurring on or after the effective date
20 of this act and during the first year of membership shall be based upon
21 the member's annual base salary. The effective date of coverage of any
22 person electing to purchase additional death benefit coverage pursuant
23 to the provisions of subsection a. or c. shall be the first day of the
24 month immediately following the date of such election unless evidence
25 of insurability is required as a condition of such election in which event
26 the effective date of coverage shall be the first day of the month which
27 immediately follows the later of (1) the date of such election, or (2)
28 the date such evidence is determined to be satisfactory.

29 e. The board of trustees shall establish schedules of contributions
30 to be made by the members who elect to purchase the additional death
31 benefit coverage. Such contributions shall be so computed that the
32 contributions made by or on behalf of all covered members in the
33 aggregate shall be sufficient to provide for the cost of the benefits
34 provided under this section. Such schedules of contributions shall be
35 subject to adjustment from time to time by the board of trustees, as the
36 need may appear.

37 f. Upon the receipt of proper proofs of the death in service of any
38 such member while covered for the additional death benefit coverage
39 there shall be paid to such person, if living, as the member shall have
40 nominated by written designation duly executed and filed with the
41 board of trustees, otherwise to the executor or administrator of the
42 member's estate, an amount equal to one and one-half times the
43 compensation received by the member in the last year of creditable
44 service or some lesser amount as may be provided by the board of
45 trustees and elected to purchase by the member.

46 g. The contributions of a member for the additional death benefit

1 coverage shall be deducted from the member's compensation, but if
2 there is no compensation from which such contributions may be
3 deducted it shall be the obligation of the member to make such
4 contributions directly to the board of trustees or as directed by the
5 board of trustees.

6 h. Any other provision of this act notwithstanding, the
7 contributions of a member for the additional death benefit coverage
8 under this section shall not be returnable to the member or the
9 member's beneficiary in any manner, or for any reason whatsoever, nor
10 shall any contributions made for the additional death benefit coverage
11 be included in any annuity payable to any such member or beneficiary.

12 i. A member who has elected to purchase the additional death
13 benefit coverage provided by this section may file with the retirement
14 system, and alter from time to time during the member's lifetime as
15 desired, a duly attested nomination of the payee of the death benefit
16 provided under this section. Such member may also file with the
17 retirement system, and alter from time to time during the member's
18 lifetime as desired, a request directing payment of said benefit in one
19 sum or in equal annual installments over a period of years or as a life
20 annuity. Any such nomination or request shall be made in writing on
21 a form satisfactory to the retirement system and shall be effective upon
22 receipt by the retirement system. Upon the death of such member, a
23 beneficiary to whom a benefit is payable in one sum may elect to
24 receive the amount payable in equal annual installments over a period
25 of years or as a life annuity. If more than one beneficiary is nominated
26 and the member has not specified their respective interests, the
27 beneficiaries shall share equally. If any beneficiary predeceases the
28 member, the interest of that beneficiary shall terminate and shall be
29 shared equally by such of the beneficiaries as survive the member
30 unless the member has made written request to the contrary in the
31 beneficiary nomination. Any amounts due for which there is no
32 beneficiary at the death of the member or beneficiary shall be payable
33 to the estate of the member or beneficiary.

34 j. All other provisions of this section notwithstanding, this section
35 and the benefits provided under this section shall not come into effect
36 until a required percentage of the members shall have applied for the
37 additional death benefit coverage under this section. This required
38 percentage shall be fixed by the board of trustees. Applications for
39 such additional death benefit coverage shall be submitted to the
40 secretary of the board of trustees in such manner and upon such forms
41 as the board shall provide.

42

43 35. The designation of beneficiary by a member or retirant for
44 death benefits shall be made in writing on a form satisfactory to the
45 retirement system, and filed with the retirement system. The member
46 or retirant may, from time to time and without the consent of the death

1 benefit beneficiary, change the beneficiary by filing written notice of
2 the change with the system on a form satisfactory to it. The new
3 designation shall be effective on the date the notice, in proper form, is
4 received by the system, and any prior designation shall thereupon
5 become void.

6 If more than one beneficiary is designated and in such designation
7 the member or retirant has failed to specify their respective interests,
8 the beneficiaries shall share equally. If any beneficiary predeceases the
9 member or retirant, the interest of such beneficiary shall terminate and
10 shall be shared equally by such of the beneficiaries as survive the
11 member or retirant, unless the member or retirant has made written
12 request to the contrary in the beneficiary designation.

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

16 Except with regard to the payment of one-fourth of final salary
17 upon the death of a retirant as provided in sections 29, 30, and 32, a
18 member may elect, by making written request to the retirement system,
19 that the whole or any part of the member's death benefits be made
20 payable to a beneficiary either as a life annuity or in equal installments
21 over a period of years specified in such election, and may alter such
22 election from time to time during the member's lifetime by again
23 making such written request. In the event of a change of beneficiary,
24 any previous arrangement by the member or retirant under this
25 paragraph shall be void. The election set forth in this paragraph shall
26 not apply or be available when the beneficiary is an estate, or
27 corporation, partnership, association, institution, trustee, or any
28 fiduciary.

29 If, at the member's or retirant's death, an amount of death benefit
30 would be payable to the beneficiary in a single sum, any election with
31 regard to such amount which was available to the member or retirant
32 immediately prior to death in accordance with the provisions of the
33 immediately preceding paragraph shall then be available to such
34 beneficiary for the benefit of such beneficiary.

35
36 36. The State Treasurer is hereby authorized and permitted to
37 purchase from one or more life insurance companies, as determined by
38 the Treasurer, group life insurance coverage to provide for the death
39 benefits specified in subsection b. of section 31 and sections 29, 30,
40 and 32 of this act. The board of trustees is hereby authorized and
41 permitted to purchase from one or more life insurance companies, as
42 determined by it, a policy or policies of group life insurance to provide
43 for the benefits specified in section 34 of this act. Such group life
44 insurance coverage may be provided under one or more policies issued
45 to the State Treasurer specifically for this purpose or, in the discretion
46 of the State Treasurer, under one or more policies issued to the State

1 Treasurer which provide group life insurance coverage for members
2 of one or more other retirement systems of the State of New Jersey.
3 Whenever such policy or policies of group insurance shall be in effect,
4 the benefits payable thereunder shall be in lieu of the above mentioned
5 death benefits provided by said sections.

6 Any dividend or retrospective rate credit allowed by an insurance
7 company shall be credited in an equitable manner to the special
8 insurance funds from which premiums are paid.

9
10 37. Any life insurance company shall meet the following
11 requirements in order to qualify under section 36 of this act:

12 a. be licensed under the laws of the State to transact life and
13 accidental death insurance; and

14 b. the amount of its group life insurance in the State of New Jersey
15 shall at the time said insurance is to be purchased equal at least 1% of
16 the total amount of such group life insurance in the State in all life
17 insurance companies.

18
19 38. The State Treasurer may, in the Treasurer's discretion,
20 determine to purchase group life insurance coverage for the death
21 benefit provisions as provided in subsection b. of section 31 and
22 sections 29, 30, and 32 of this act, or may determine not to purchase
23 any group life insurance coverage for the death benefit provisions
24 heretofore mentioned. The board of trustees may, in its discretion,
25 determine to purchase group life insurance coverage for the additional
26 death benefit coverage provided in section 34 of this act or may also,
27 in its discretion, determine not to purchase any group life insurance
28 coverage for the additional death benefit coverage provided in section
29 34 of this act.

30
31 39. In the event the State Treasurer shall determine to purchase
32 group life insurance coverage for the death benefits, premiums for the
33 same shall be paid from a special fund, hereby created, called the
34 Group Insurance Premium Fund. The State Treasurer shall estimate
35 annually the amount which shall be required for premiums for such
36 benefits for the ensuing fiscal year. The State shall pay over to the
37 State Treasurer the amount so required, who shall deposit it in the
38 fund. During the period such group insurance policy or policies are in
39 effect, the State Treasurer shall in no way commingle moneys in this
40 fund with any pension fund established by this act.

41 In the event that the board of trustees shall determine to purchase
42 group life insurance coverage for the additional death benefit
43 coverage, premiums for the same shall be paid from a special fund
44 hereby created called the Contributory Group Insurance Premium
45 Fund. While such group coverage shall be in force, the contributions
46 from the compensation of the members or by other means to provide

1 such optional additional death benefits shall be accumulated in said
2 fund.

3
4 40. Any such group policy or policies shall include, with respect to
5 any insurance terminating or reducing because an insured person has
6 ceased to be in active service or has retired, the conversion privilege
7 available upon termination of employment as prescribed by the law
8 relating to group life insurance, and shall also include, with respect to
9 insurance terminating because of termination of the group policy
10 resulting from a termination of all death benefits established under
11 subsection b. of section 31 and sections 29, 30, 32 and 34 of this act,
12 the conversion privilege available upon termination of the group policy
13 as prescribed by such law. Any such group policy or policies shall also
14 provide that if an insured person dies during the 31-day period during
15 which that person would be entitled to exercise the conversion
16 privilege, the amount of insurance with respect to which the person
17 could have exercised the conversion privilege shall be paid as a claim
18 under the group policy.

19 If any member who has exercised the conversion privilege under the
20 group policy or policies again becomes a member of the retirement
21 system, and the individual policy obtained pursuant to the conversion
22 privilege is still in force, the member shall not again be eligible for any
23 of the death benefits provided by subsection b. of section 31 and
24 sections 29, 30, 32, and 34 of this act, unless the member furnishes
25 satisfactory evidence of insurability.

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

34
35 41. Benefits under such group policy or policies shall be paid by
36 the insurance company to such beneficiary, if living, as the insured
37 person shall have nominated by written designation duly executed and
38 filed with the insurance company through the policyholder, or
39 otherwise to the executors or administrators of the insured person's
40 estate. An insured person may file with the insurance company
41 through the policyholder and alter from time to time during the
42 person's lifetime, as desired, a duly attested written nomination of the
43 beneficiary for the death benefit.

44
45 42. Any such group policy or policies shall provide that payment
46 of any death benefits which are payable by the insurance company may

1 be made in one sum directly to the beneficiary as hereinafter provided,
2 in equal installments over a period of years or as a life annuity or in
3 such other manner as may be made available by the insurance
4 company. An insured person may make arrangements for settlement,
5 and may alter from time to time during the person's lifetime any
6 arrangement previously made, by making written request to the
7 insurance company through the policyholder. Upon the death of an
8 insured person, a beneficiary to whom a benefit is payable in one sum
9 by the insurance company may likewise arrange for a settlement as
10 described above. If an insured person's or beneficiary's request for
11 settlement of any death benefit in equal installments over a period of
12 years or as a life annuity pursuant to the foregoing is approved by the
13 policyholder, the amount of such installment or such life annuity, as
14 the case may be, shall be determined on the basis of such applicable
15 mortality tables as shall have been adopted by the retirement system
16 and are in effect at the death of the insured person. Any arrangement
17 for payment under the group policy to a beneficiary shall be in lieu of
18 that provided by subsection b. of section 31 and sections 29, 30, 32
19 and 34 of this act.

20

21 43. Notwithstanding any other provision of law, any insurance
22 company or companies issuing such policy or policies may credit the
23 policyholder, in the form of reduced premiums, with savings by said
24 company or companies in the event that no brokerage commission or
25 commissions are paid by said company or companies on the issuance
26 of such policy or policies.

27

28 44. a. Any judge of compensation who is required to be a member
29 of the retirement system established by this act and who holds
30 membership in a retirement system established pursuant to any other
31 law of this State shall cease to be a member of such other retirement
32 system as of the effective date of this act. Any person becoming a
33 judge of compensation after the effective date of this act, who holds
34 membership in a retirement system established pursuant to any other
35 law of this State shall cease to be a member of such other retirement
36 system on the date the person becomes such judge.

37 b. Any such judge shall, upon request, receive a refund of the
38 person's contributions to such other retirement system, without
39 interest, less any unpaid balance of an outstanding loan, as of the
40 effective date of this act or the date on which the person becomes such
41 judge, whichever is later. If any such judge shall be eligible for
42 benefits under any such other retirement system as of the effective date
43 of this act, or if later, as of the date the person becomes such judge,
44 the person may elect to receive an annuity based on the person's own
45 contributions while continuing to serve as such judge; provided,
46 however, that if any such judge shall subsequently elect to receive

1 benefits under the provisions of this act, all rights to retirement and
2 death benefits under any other law of this State shall thereby be
3 terminated, except as hereinafter provided in subsection c.

4 c. If any such judge elects to receive benefits pursuant to the
5 provisions of this act after having received benefits from a retirement
6 system established pursuant to another law of this State, such judge
7 shall be entitled to receive the value of the judge's contributions,
8 without interest, to such other retirement system reduced by the value
9 of any benefits received from such other retirement system.

10 If any such judge dies in service before the judge could elect to
11 receive the benefits pursuant to the provisions of this act, after having
12 received benefits from a retirement system established pursuant to
13 another law of this State, the judge's eligible beneficiary shall be
14 entitled to receive the value of the member's contributions, without
15 interest, to such other retirement system reduced by the value of any
16 benefits received by the judge from such other retirement system.

17 d. After the effective date of this act, any person appointed to be
18 a judge of compensation who holds membership in a
19 State-administered retirement system may elect to transfer the service
20 for which the person has been credited in that system to the retirement
21 system. The transfer shall be accomplished by filing forms satisfactory
22 to the division within 90 days following the effective date of this act
23 or appointment as a judge of compensation, whichever is later.

24 e. Within 120 days following the filing of forms provided in
25 subsection d., the former retirement system of the judge shall remit to
26 the Workers Compensation Judges Retirement System all accumulated
27 deductions standing to the judge's credit and within 180 days following
28 the filing of the forms, the former retirement system shall remit the
29 pro rata part of the reserve fund constituting the employer's
30 obligations under the former system applicable to the member's
31 account, and the Workers Compensation Judges Retirement System
32 shall then enter the respective sums so remitted to it to the credit of
33 the judge in the annuity savings fund and to the credit of the employer
34 in the contingency reserve fund of the Workers Compensation Judges
35 Retirement System. All outstanding obligations such as loans,
36 purchases, and other arrearage shall be met by the judge as previously
37 scheduled for payment to the judge's former retirement system.

38 f. In the event that the value of the money so remitted to the
39 Workers Compensation Judges Retirement System is less than the total
40 value which is required by the retirement system to provide the
41 transferred member with credit for the public service, the liability of
42 the State shall include an amount equal to the difference between these
43 two values.

44
45 45. a. Any judge of compensation who is required to be a member
46 of the retirement system and who is receiving a retirement allowance

1 or pension from a retirement system established pursuant to any other
2 law of this State may elect to terminate the retirement status in such
3 other system by filing a proper form waiving all of the judge's rights
4 and privileges in such other system or the judge may elect to continue
5 the receipt of the retirement allowance or pension by filing a proper
6 form with the Workers Compensation Judges Retirement System
7 expressing a final and irrevocable intention not to enroll as a member
8 of the Workers Compensation Judges Retirement System. Such
9 waivers shall be filed within 90 days from the date of the judge's
10 appointment.

11 b. The judge who elects to enroll in the Workers Compensation
12 Judges Retirement System after having received benefits from a
13 retirement system established pursuant to another law of this State
14 shall be entitled to receive the value of the judge's contributions,
15 without interest, to such other retirement system reduced by the value
16 of any benefits received from such retirement system.

17 c. The judge who elects to enroll in the Workers Compensation
18 Judges Retirement System shall be eligible for all the benefits of the
19 system and receive credit for all public service which would otherwise
20 be credited to the account of any other member.

21 d. Notwithstanding filing a proper form expressing a final and
22 irrevocable intention not to enroll as a member of the Workers
23 Compensation Judges Retirement System pursuant to subsection a.,
24 the judge who elects to continue the receipt of a retirement allowance
25 or pension shall be eligible for the death benefits available to judges of
26 compensation during tenure pursuant to subsection b. of section 31 of
27 this act and shall be eligible to purchase the additional death benefit
28 coverage pursuant to section 34 of this act.

29

30 46. a. Following the effective date of this act, any judge of
31 compensation who wishes to receive credit for previous service
32 rendered in an office, position or employment of this State or of a
33 county, municipality, board of education, or public agency of this
34 State, shall file an application therefor with the board of trustees and
35 pay into the annuity savings fund the amount required by applying the
36 factor, supplied by the actuary, as being applicable to the judge's age
37 at the time of purchase, to the member's salary at that time. Such
38 purchase may be made in regular installments, equal to at least
39 one-half the full normal contribution to the retirement system over a
40 maximum period to be determined by the board of trustees.

41 In the case of any person coming under the provisions of this
42 section, full pension credit for the period of employment for which
43 arrears are being paid shall be given upon the payment of at least
44 one-half the total arrearage obligation and the completion of one year
45 of membership and the making of such arrears payments, except that
46 in the case of retirement pursuant to sections 21, 22 or 23, the total

1 membership credit for such service shall be in direct proportion as the
2 amount paid bears to the total amount of arrearage obligation.

3 b. The State shall pay to the retirement system the employer's
4 accrued liability obligation on behalf of such person purchasing prior
5 service credit.

6

7 47. No public employee veteran eligible for membership in the
8 retirement system established by this act shall be eligible for, or
9 receive, retirement benefits under R.S.43:4-1, 43:4-2, and 43:4-3.

10

11 48. Any member who has at least three years of service to the
12 member's credit for which the member has contributed as a member
13 may borrow from the retirement system, an amount equal to not more
14 than 50% of the amount of the member's accumulated deductions, but
15 not less than \$50; provided, that the amount so borrowed, together
16 with interest thereon, can be repaid by additional deductions from
17 compensation, not in excess of 25% of the member's compensation,
18 made at the same time compensation is paid to the member. The
19 amount so borrowed, together with interest at the rate of 4% per
20 annum on any unpaid balance thereof, shall be repaid to the retirement
21 system in equal installments by deduction from the compensation of
22 the member at the time the compensation is paid or in such lump sum
23 amount to repay the balance of the loan, but such installments shall be
24 at least equal to the member's rate of contribution to the retirement
25 system and at least sufficient to repay the amount borrowed with
26 interest thereon. Not more than two loans may be granted to any
27 member in any calendar year. Notwithstanding any other law affecting
28 the salary or compensation of any person or persons to whom this act
29 applies or shall apply, the additional deductions required to repay the
30 loan shall be made.

31 Loans shall be made to a member from the member's accumulated
32 deductions. The interest earned on such loans shall be treated in the
33 same manner as interest earned from investments of the retirement
34 system.

35

36 49. In the case of any member who retires without repaying the full
37 amount so borrowed, the division shall deduct from the retirement
38 benefit payments the same monthly amount which was deducted from
39 the compensation of the member immediately preceding retirement
40 until the balance of the amount borrowed together with the interest at
41 the rate of 4% per annum is repaid. In the case of a retirant who dies
42 before the outstanding balance of the loan and interest thereon has
43 been recovered, the remaining balance shall be repaid from the
44 proceeds of any other benefits payable on the account of the retirant
45 either in the form of monthly payments due to the retirant's
46 beneficiaries or in the form of lump sum payments payable for pension

1 or group life insurance.

2

3 50. A pension, an annuity or a retirement allowance granted under
4 the provisions of this act shall be effective only on the first day of a
5 month, shall be paid in equal monthly installments, and shall not be
6 decreased, increased, revoked or repealed, except as otherwise
7 provided in this act; provided, however, that at the time any benefit
8 becomes payable any unpaid balance of a loan or arrearage outstanding
9 shall be deducted from any benefit otherwise payable.

10 Upon the death of a retirant, any unpaid benefits due shall be paid
11 in one lump sum to such person, if living, as the retirant shall have
12 nominated by written designation duly executed and filed with the
13 board of trustees, otherwise to the executor or administrator of the
14 retirant's estate. No pension, annuity or retirement allowance shall be
15 due to a retirant or beneficiary unless it constitutes a payment for an
16 entire month; provided, however, that a pension, annuity or retirement
17 allowance shall be payable for the entire month in which the retirant or
18 beneficiary dies.

19

20 51. Should any change or error in the records of this retirement
21 system result in any member or person receiving from the retirement
22 system more or less than the member or person would have been
23 entitled to receive had the records been correct, the retirement system,
24 as far as practicable, shall correct such error and adjust the payments
25 in such manner that the actuarial equivalent of the benefit to which the
26 member or beneficiary was correctly entitled shall be paid.

27

28 52. Any member or any beneficiary who has been or, in the future,
29 may be retired, or receive a pension, retirement allowance or benefit
30 pursuant to the provisions of this act, may, by filing written request
31 with the retirement system, waive payment of a portion of the pension,
32 retirement allowance or benefit to which the person may be entitled.

33 Upon the receipt of such waiver, and until the same is withdrawn,
34 altered or revoked by a subsequent written request, similarly filed, the
35 retirement system shall pay a reduced pension, retirement allowance
36 or benefit, as shall be requested in such waiver. The member or the
37 beneficiary shall not be entitled to a refund, or credit, for such moneys
38 as shall have been waived during the period such waiver had been in
39 effect.

40

41 53. If possible, whenever any retirant or beneficiary, in writing,
42 shall request the division to make deductions from a pension or
43 retirement allowance for the purpose of paying premiums for the
44 pensioner's group health insurance plan or the State Health Benefits
45 Program, the division may make such deductions and transmit the
46 sums so deducted to the companies carrying the policies or the

1 program, as the case may be. Any such written authorization may be
2 withdrawn by any retirant or beneficiary upon filing notice of such
3 withdrawal with the division.

4
5 54. The right of a person to a pension, retirement allowance or any
6 benefit or right accrued or accruing to a person under the provisions
7 of this act and the moneys in the various funds created under this act,
8 shall be exempt from any State or municipal tax and from levy and
9 sale, garnishment, attachment or any other process arising out of any
10 State or federal court, and, except as hereinafter in this section and as
11 in this act otherwise provided, shall be unassignable.

12 Nothing in this section shall prohibit any person insured under a
13 group insurance policy, pursuant to an arrangement among the
14 insured, the group policyholder and the insurer, from making to any
15 person other than the person's employer, a gift assignment of the rights
16 and benefits conferred on the person by any provision of such policy
17 or by law including specifically, but not by way of limitation, the right
18 to exercise the conversion privilege and the right to name a
19 beneficiary. Any such assignment, whether made before or after the
20 effective date of this act, shall entitle the insurer to deal with the
21 assignee as the owner of all rights and benefits conferred on the
22 insured under the policy in accordance with the terms of the
23 assignment.

24
25 55. For the purposes of subsection b. of section 31 of this act a
26 member shall be deemed to be an active member for a period of no
27 more than 93 days while on official leave of absence without pay when
28 such leave is due to any reason other than illness, or for a period of no
29 more than two years while on an official leave of absence without pay
30 if satisfactory evidence is presented to the retirement system that such
31 leave of absence without pay is due to the member's personal illness.

32 In order for a member to be covered hereunder for the death benefit
33 coverage provided by section 34 of this act, the member shall continue
34 to make contributions for same during the period such member is on
35 official leave of absence without pay, except that when such official
36 leave of absence without pay is due to illness, no contribution shall be
37 required of the member during the period the member is deemed to be
38 an active member while on such leave of absence.

39 If a member dies within 30 days after the date of retirement or the
40 date of board approval, whichever is later, a death benefit shall be
41 payable only if the member is deemed to be an active member in
42 accordance with this section; provided, however, a member applying
43 for disability benefits shall be deemed an active member if the member
44 was covered by the death benefit provisions of this act at the
45 termination of employment, filed the application for disability
46 retirement with the retirement system within 30 days following such

1 termination of employment and dies within 30 days after the date of
2 retirement or the date of board approval, whichever is later.

3
4 56. Notwithstanding subsection a. of section 44 of this act, any
5 judge of compensation who is required to be a member of the
6 retirement system and who holds membership in the Public Employees'
7 Retirement System, P.L.1954, c.84 (C.43:15A-1 et seq.), on the
8 effective date of this act may elect to continue membership in the
9 Public Employees' Retirement System by filing, within 30 days of the
10 effective date of this act, a proper form with the Workers
11 Compensation Judges Retirement System expressing a final and
12 irrevocable intention not to enroll as a member of the Workers
13 Compensation Judges Retirement System.

14
15 57. Notwithstanding the provisions of section 20 of P.L.1999,
16 c.380 (C.34:15-49.3) and section 19 of this act, any judge of the
17 Division of Workers' Compensation who was 60 years of age on the
18 effective date of P.L.1999, c.380 shall be permitted to continue service
19 as a judge until attaining 10 years of service credit under the "Public
20 Employees' Retirement System Act," P.L.1954, c.84 (C.43:15A-1 et
21 seq.) or the "Workers Compensation Judges Retirement System Act,"
22 P.L. , c. (C.) (now pending before the Legislature as this bill).

23
24 58. This act shall take effect immediately.

25

26

27 STATEMENT

28

29 This bill establishes the Workers Compensation Judges Retirement
30 System (WCJRS). The members of the system would be the Chief
31 Judge, the administrative supervisory judges, the supervisory judges,
32 and the judges of compensation of the Division of Workers'
33 Compensations of the Department of Labor.

34 Judges of compensation are appointed by the Governor with the
35 advice and consent of the Senate. The statutory qualifications for
36 appointment as a judge of compensation are the same as those for
37 appointment as a Judge of the Superior Court. After an initial term of
38 three years, tenure is granted upon reappointment and confirmation.
39 Service as a judge of compensation may continue until the mandatory
40 retirement age of 70, which was imposed by P.L.1999, c.380, effective
41 January 14, 2000.

42 Currently, judges of compensation are members of the Public
43 Employees' Retirement System (PERS) with the other Executive
44 Branch employees. The bill provides that the employee contribution
45 rate for a judge of compensation would remain the same as that
46 required of PERS members but WCJRS members would be eligible for

1 retirement allowances similar to those of the Judicial Retirement
2 System, whose members are the judges of the several courts of the
3 Judicial Branch. A judge of compensation currently serving would
4 automatically become a member of WCJRS unless, within 30 days of
5 the effective date of this bill, that judge files an irrevocable notice of
6 intention to continue as a PERS member.

7 Under current law (N.J.S.A.34:15-94j.), the Commissioner of
8 Labor, with the authorization of and appropriation by the Legislature,
9 transfers the amount necessary for the cost of the administration of the
10 Division of Workers' Compensation, including the employer pension
11 contributions of the State, from the Second Injury Fund, funded by an
12 annual surcharge on all workers' compensation and employer's liability
13 insurance policies. This funding mechanism will not be changed by
14 this bill.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2804

STATE OF NEW JERSEY

DATED: DECEMBER 7, 2000

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2804.

Assembly Bill No. 2804 establishes the Workers Compensation Judges Retirement System (WCJRS). The members of the system would be the Chief Judge, the administrative supervisory judges, the supervisory judges, and the judges of compensation of the Division of Workers' Compensations of the Department of Labor.

Judges of compensation are appointed by the Governor with the advice and consent of the Senate. The statutory qualifications for appointment as a judge of compensation are the same as those for appointment as a Judge of the Superior Court. After an initial term of three years, tenure is granted upon reappointment and confirmation. Service as a judge of compensation may continue until the mandatory retirement age of 70, which was imposed by P.L.1999, c.380, effective January 14, 2000.

Currently, judges of compensation are members of the Public Employees' Retirement System (PERS) with the other Executive Branch employees. The bill provides that the employee contribution rate for a judge of compensation would remain the same as that required of PERS members but WCJRS members would be eligible for retirement allowances similar to those of the Judicial Retirement System, whose members are the judges of the several courts of the Judicial Branch. A judge of compensation currently serving would automatically become a member of WCJRS unless, within 30 days of the effective date of this bill, that judge files an irrevocable notice of intention to continue as a PERS member.

Under current law (N.J.S.A.34:15-94j.), the Commissioner of Labor, with the authorization of and appropriation by the Legislature, transfers the amount necessary for the cost of the administration of the Division of Workers' Compensation, including the employer pension contributions of the State, from the Second Injury Fund, funded by an annual surcharge on all workers' compensation and employer's liability insurance policies. This funding mechanism will not be changed by this bill.

FISCAL IMPACT:

There are currently 51 judges who would qualify for the WCJRS. The Department of the Treasury notes that due to the two year lag from the date additional liabilities accrue until they are actually billed, the increased pension costs will not be payable until FY2003. The department has estimated that the cost of the new system will \$1,291,000 in FY2001 (primarily initial data processing and materials costs), \$91,000 in FY2002 (normal annual data processing costs) and \$1,923,155 in FY2003.

The FY 2003 costs are a composite of the 30 year amortization of the unfunded accrued liability (\$664,177; expected to grow at 5.96% annually) the initial normal contribution (\$1,467,414 in FY2003, also expected to grow at 5.96% annually), the normal data processing costs (\$91,000) less the current normal contribution to PERS for the workers' compensation judges (\$299,436).

The Office of Legislative Services has concurred with this cost estimate but notes that the costs are not payable as State expenses, noting that the Second Injury Fund, financed entirely by assessments on workers' compensation insurance carriers and authorized self-insured employers, is the source of all funding for the administrative costs of the Division of Worker's Compensation. The State does not pay an assessment to the fund.

ASSEMBLY JUDICIARY COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2804

STATE OF NEW JERSEY

DATED: NOVEMBER 13, 2000

The Assembly Judiciary Committee reports favorably Assembly Bill No. 2804.

This bill establishes the Workers Compensation Judges Retirement System (WCJRS). The members of the system would be the Chief Judge, the administrative supervisory judges, the supervisory judges, and the judges of compensation of the Division of Workers' Compensation of the Department of Labor.

Judges of compensation are appointed by the Governor with the advice and consent of the Senate. The statutory qualifications for appointment as a judge of compensation are the same as those for appointment as a Judge of the Superior Court. After an initial term of three years, tenure is granted upon reappointment and confirmation. Service as a judge of compensation may continue until the mandatory retirement age of 70, which was imposed by P.L.1999, c.380, effective January 14, 2000.

Currently, judges of compensation are members of the Public Employees' Retirement System (PERS) with the other Executive Branch employees. The bill provides that the employee contribution rate for a judge of compensation would remain the same as that required of PERS members but WCJRS members would be eligible for retirement allowances similar to those of the Judicial Retirement System, whose members are the judges of the several courts of the Judicial Branch. A judge of compensation currently serving would automatically become a member of WCJRS unless, within 30 days of the effective date of this bill, that judge files an irrevocable notice of intention to continue as a PERS member.

Under current law (N.J.S.A.34:15-94j.), the Commissioner of Labor, with the authorization of and appropriation by the Legislature, transfers the amount necessary for the cost of the administration of the Division of Workers' Compensation, including the employer pension contributions of the State, from the Second Injury Fund, funded by an annual surcharge on all workers' compensation and employer's liability insurance policies. This funding mechanism will not be changed by this bill.

FISCAL NOTE
ASSEMBLY, No. 2804
STATE OF NEW JERSEY
209th LEGISLATURE

DATED: JANUARY 10, 2001

SUMMARY

Synopsis: Establishes the Workers' Compensation Judges Retirement System.
Type of Impact: Second Injury Fund expenditure increase.
Agencies Affected: Department of Treasury, Division of Pensions and Benefits,
 Department of Labor

Executive Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	\$1,291,000	\$91,000	\$1,923,155

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	\$0	\$0	\$0
Second Injury Fund	\$1,291,000	\$91,000	\$1,923,155

- ! Although the Office of Legislative Services (OLS) **concurs** with the Executive Estimate as to the cost of this bill, the OLS **disagrees** with the Executive Estimate that the State would pay the cost to implement this bill.
- ! The administrative costs of the Division of Workers' Compensation, including judges' salaries and benefits, are paid by appropriations from the **Second Injury Fund**, a fund financed entirely by assessments on workers' compensation insurance carriers and authorized self-insured employers. Therefore, the cost of this bill would be paid by monies appropriated from that fund. The State does not pay an assessment to the Second Injury Fund because it is not an authorized self-insured employer pursuant to N.J.S.A. 34:15-1 et seq.
- ! This bill establishes a new retirement system for workers' compensation judges. There are currently 51 such judges.

BILL DESCRIPTION

Assembly Bill No. 2804 of 2000 establishes the Workers Compensation Judges Retirement System (WCJRS). The members of the system would be the Chief Judge, the

administrative supervisory judges, the supervisory judges, and the judges of compensation of the Division of Workers' Compensation of the Department of Labor.

Judges of compensation are appointed by the Governor with the advice and consent of the Senate. The statutory qualifications for appointment as a judge of compensation are the same as those for appointment as a Judge of the Superior Court. After an initial term of three years, tenure is granted upon reappointment and confirmation. Service as a judge of compensation may continue until the mandatory retirement age of 70, which was imposed by P.L.1999, c.380, effective January 14, 2000.

Currently, judges of compensation are members of the Public Employees' Retirement System (PERS) with the other Executive Branch employees. The bill provides that the employee contribution rate for a judge of compensation would remain the same as that required of PERS members but WCJRS members would be eligible for retirement allowances similar to those of the Judicial Retirement System, whose members are the judges of the several courts of the Judicial Branch. A judge of compensation currently serving would automatically become a member of WCJRS unless, within 30 days of the effective date of this bill, that judge files an irrevocable notice of intention to continue as a PERS member.

Under current law (N.J.S.A.34:15-94j.), the Commissioner of Labor, with the authorization of and appropriation by the Legislature, transfers the amount necessary for the cost of the administration of the Division of Workers' Compensation, including the employer pension contributions, from the Second Injury Fund, funded by an annual surcharge on workers' compensation insurance carriers and self-insured employers. This funding mechanism will not be changed by this bill.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The Department of Treasury notes that due to the two year lag from the date additional pension liabilities are valued to the date they are actually billed, the increased pensions costs arising from the creation of this new retirement system will not be payable until 2003, assuming implementation in 2001. The department estimates that the unfunded accrued liability for the new system will be \$13,640,460; amortization over 30 years at 8.75 percent interest will require an initial payment in 2003 of \$664,177. Each subsequent year's payment will increase by 5.96 percent.

The department estimates that the initial normal contribution for the new system will be \$1,467,414 in 2003. Again, each subsequent year's payment will increase by 5.96 percent. Thus, the total contribution payable to the new system in 2003 is estimated to be \$2,131,591. Subtracted from this total is the current normal contribution to the Public Employees' Retirement System on behalf of workers' compensation judges, which is \$299,436, to arrive at the department's estimate of the additional 2003 pension cost as a result of this bill, or \$1,832,155. Increasing at the rate of 5.96 percent annually, the additional pension cost for FY 2004 and FY 2005 would be \$1,941,168 and \$2,056,667 respectively. The current normal contribution, \$299,436 is at a rate of 4.88 percent compared to \$1,467,414, the estimate of the initial normal contribution for FY 2003, which is at a rate of 23.91 percent.

The provisions of the bill require the transfer from the Public Employees' Retirement System of New Jersey to the new Workers' Compensation Judges Retirement System of all employee contributions and actuarial reserves based on employer contributions for the judges who transfer to the new system.

The department based these calculations on the July 1999 actuarial valuation report of the Judicial Retirement System of this State. According to the department, there are 51 workers' compensation judges with an average annual compensation of \$6,135,990.

Finally, the department estimates that the initial cost to the Division of Pensions and Benefits for creating this new retirement system will be \$1,291,000 in the first year, primarily for data processing. In the second, third, and subsequent years, the data processing costs will be \$91,000 annually, which is the amount for processing data in a system of this size.

Therefore, the department estimates the total State cost for the bill in fiscal years 2001, 2002, 2003, 2004, and 2005 respectively are \$1,291,000, \$91,000, \$1,923,155, \$2,032,168, and \$2,147,667.

OFFICE OF LEGISLATIVE SERVICES

Although the Office of Legislative Services (OLS) **concurs** with the Executive Estimate as to the cost of this bill, the OLS **disagrees** with the Executive Estimate that the State would pay the cost to implement this bill. The Executive Branch estimate does not take into account the Second Injury Fund as the funding source for the administrative costs of the Division of Workers' Compensation and all its judges.

Current law requires that the entire amount needed for the administrative costs of the Division of Workers' Compensation is to be appropriated from the Second Injury Fund, a fund financed entirely by assessments on workers' compensation insurance carriers and self-insured employers. Because the salaries and benefits for judges are administrative costs of the Division of Workers' Compensation, they too are funded exclusively by assessments on insurance carriers and self-insured employers. Therefore, the pension costs of this bill will be paid by appropriations from the Second Injury Fund. Also, the OLS assumes that all the operating costs of the Division of Pensions and Benefits primarily for data processing for the new retirement system will be paid by appropriations from the fund. (Currently, such costs of the Division of Pensions and Benefits for operating the State retirement systems are paid by all the various systems proportionally based on system assets.) Consequently, the total cost estimated by the Executive Branch to be an additional cost to the State will be an additional cost to the Second Injury Fund.

The State does not pay an assessment to the Second Injury Fund because it is not an authorized self-insured employer pursuant to (N.J.S.A. 34:15-1 et seq). The table below illustrates the total estimated expenditures from the fund:

Annual Additional Pension Contributions:					
	<u>FY2001</u>	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>
	\$0	\$0	\$1,832,155	\$1,941,168	\$2,056,667
Other Estimated Costs:					
MATERIALS	\$200,000				
DATA PROCESSING	\$1,091,000	\$91,000	\$91,000	\$91,000	\$91,000
TOTAL	\$1,291,000	\$91,000	\$91,000	\$91,000	\$91,000
GRAND TOTAL					
SECOND INJURY FUND	\$1,291,000	\$91,000	\$1,923,155	\$2,032,168	\$2,147,667
STATE COST	\$0	\$0	\$0	\$0	\$0

A2804

4

Section: *State Government Section*

Analyst: *Aggie Szilagyi*
Section Chief

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

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

SENATE STATE GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2804

STATE OF NEW JERSEY

DATED: JANUARY 22, 2001

The Senate State Government Committee reports favorably Assembly Bill No. 2804.

This bill establishes the Workers Compensation Judges Retirement System (WCJRS). The members of the system would be the Chief Judge, the administrative supervisory judges, the supervisory judges, and the judges of compensation of the Division of Workers' Compensation of the Department of Labor.

Judges of compensation are appointed by the Governor with the advice and consent of the Senate. The statutory qualifications for appointment as a judge of compensation are the same as those for appointment as a Judge of the Superior Court. After an initial term of three years, tenure is granted upon reappointment and confirmation. Service as a judge of compensation may continue until the mandatory retirement age of 70, which was imposed by P.L.1999, c.380, effective January 14, 2000.

Currently, judges of compensation are members of the Public Employees' Retirement System (PERS). The bill provides that the employee contribution rate for a judge of compensation would remain the same as that required of PERS members but WCJRS members would be eligible for retirement allowances similar to those of the Judicial Retirement System. Thus, a WCJRS member would receive a retirement allowance of 75% of final salary: at age 70 with 10 years of service, or at age 65 with 15 years of service, or at age 60 with 20 years of service. Other retirement allowances would apply based upon other age and service variables. A currently serving judge of compensation would automatically become a member of WCJRS unless, within 30 days of the effective date of this bill, that judge files an irrevocable notice of intention to continue as a PERS member.

There are currently 51 judges who would qualify for membership in the WCJRS. According to the fiscal note to the bill, the Department of the Treasury "estimates the total State cost for the bill in fiscal years 2001, 2002, 2003, 2004 and 2005 respectively are \$1,291,000, \$91,000, \$1,923,155, \$2,032,168, and \$2,147,667." The Office of Legislative Services has concurred with this cost estimate. Under current law, the Commissioner of Labor, with the authorization of and appropriation by the Legislature, transfers the amount necessary for the cost of the administration of the Division of Workers'

Compensation, including the employer pension contributions of the State, from the Second Injury Fund. This fund is financed by an annual surcharge on workers' compensation insurance carriers and self-insured employers. This funding mechanism is not changed by this bill. The State does not pay an assessment to the Second Injury Fund because it is not an authorized self-insured employer.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2804

STATE OF NEW JERSEY

DATED: MARCH 15, 2001

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 2804.

This bill establishes the Workers Compensation Judges Retirement System (WCJRS). The members of the system would be the Chief Judge, the administrative supervisory judges, the supervisory judges, and the judges of compensation of the Division of Workers' Compensation of the Department of Labor.

Judges of compensation are appointed by the Governor with the advice and consent of the Senate. The statutory qualifications for appointment as a judge of compensation are the same as those for appointment as a Judge of the Superior Court. After an initial term of three years, tenure is granted upon reappointment and confirmation. Service as a judge of compensation may continue until the mandatory retirement age of 70, which was imposed by P.L.1999, c.380, effective January 14, 2000.

Currently, judges of compensation are members of the Public Employees' Retirement System (PERS) with most other Executive Branch employees. The bill provides that the employee contribution rate for a judge of compensation would remain the same as that required of PERS members, but WCJRS members would be eligible for retirement allowances similar to those of the Judicial Retirement System, whose members are the judges of the several courts of the Judicial Branch. A judge of compensation currently serving would automatically become a member of WCJRS unless, within 30 days of the date on which the bill takes effect as law, that judge files an irrevocable notice of intention to continue as a PERS member.

Under current law (N.J.S.A.34:15-94j.), the Commissioner of Labor, with the authorization of and appropriation by the Legislature, transfers the amount necessary for the cost of the administration of the Division of Workers' Compensation, including the employer pension contributions of the State, from the Second Injury Fund, funded by an annual surcharge on all workers' compensation and employer's liability insurance policies. This funding mechanism will not be changed by this bill.

FISCAL IMPACT:

There are currently 51 judges who would qualify for the WCJRS. The Department of the Treasury notes that due to the two-year lag from the date additional liabilities accrue until they are actually billed, the increased pension costs will not be payable until FY2003. The department has estimated that the cost of the new system will be \$1,291,000 in FY2001 (primarily initial data processing and materials costs), \$91,000 in FY2002 (normal annual data processing costs) and \$1,923,155 in FY2003.

The FY2003 costs are a composite of the 30-year amortization of the unfunded accrued liability (\$664,177, expected to grow at 5.96% annually), the initial normal contribution (\$1,467,414 in FY2003, also expected to grow at 5.96% annually), and the normal data processing costs (\$91,000), less the current normal contribution to PERS for the workers' compensation judges (\$299,436).

The Office of Legislative Services (OLS) has concurred with this cost estimate. The OLS notes that the costs are not payable as State expenses, since the Second Injury Fund, which is financed entirely by assessments on workers' compensation insurance carriers and authorized self-insured employers, is the source of all funding for the administrative costs of the Division of Workers' Compensation. The State does not presently pay an assessment to the fund and would not be required to do so under the legislation.

ASSEMBLY BILL NO. 2804

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 2804 with my recommendations for reconsideration.

A. Summary of Bill

This bill establishes the Worker's Compensation Judges Retirement System (WCJRS). The members of the system would be the Chief Judge, the administrative supervisory judges, the supervisory judges, and the judges of compensation of the Division of Workers' Compensation of the Department of Labor.

Currently, judges of compensation are members of the Public Employees' Retirement System (PERS) with most other Executive Branch employees. The bill provides that the employee contribution rate for a judge of compensation would remain the same as that required of PERS members, but WCJRS members would be eligible for retirement allowances similar to those of the Judicial Retirement System, whose members are the judges of the several courts of the Judicial Branch. A judge of compensation currently serving would automatically become a member of WCJRS unless, within 30 days of the date on which the bill takes effect as law, that judge files an irrevocable notice of intention to continue as a PERS member.

B. Recommended Action

While I support the intent of this legislation, to provide enhanced benefits for judges of compensation, I believe that the creation of a new retirement system is unnecessary. Accordingly, I recommend that the bill be amended to grant these enhanced benefits for judges of compensation in the existing PERS rather than establishing the WCJRS.

Therefore, I herewith return Assembly Bill No. 2804 and recommend that it be amended as follows:

Page 2, Lines 1 - 2:

Delete in their entirety.

Insert "AN ACT concerning retirement benefits for workers compensation judges and supplementing P.L. 1954, c. 84 (C. 43:15A-1 et seq.)".

Page 2, Line 7 – Page 30, Line 14:

Delete in their entirety.

Insert "1. As used in this act, P.L. , (c.) (C.43:15A-) (now pending before the Legislature as this bill): "Aggregate public service" includes service as a workers compensation judge and in an office, position, or employment of this State or of a county, municipality, board of education, or public agency of this State.

"Beneficiary" means any person entitled to receive any benefit pursuant to the provisions

of this act by reason of the death of a member or retirant.

"Child" means a deceased member's or retirant's unmarried child who is (a) under the age of 18; (b) of any age who, at the time of the member's or retirant's death, is disabled because of mental retardation or physical incapacity, is unable to do any substantial, gainful work because of the impairment, and the impairment has lasted or can be expected to last for a continuous period of not less than 12 months, as affirmed by the medical board; or (c) under the age of 21 and is attending school full time.

"Final salary" means the annual salary received by the member at the time of retirement or death.

"Retirant" means any former member receiving a pension or retirement allowance as provided by this act.

"Widow" means the woman to whom a member was married at least four years before the date of his death and to whom he continued to be married until the date of his death. The eligibility of a widow to receive a survivor's benefit shall be considered terminated by the marriage of the widow subsequent to the member's or the retirant's death. In the event of accidental death, the four-year qualification shall be waived. When used in this act, the term "widow" shall mean and include "widower" as may be necessary and appropriate to the particular situation.

"Widower" means the man to whom a member was married at least four years before the date of her death and to whom she continued to be married until the date of her death. The eligibility of a widower to receive a survivor's benefit shall be considered terminated by the marriage of the widower subsequent to the member's or the retirant's death. In the event of accidental death, the four-year qualification shall be waived.

"Workers compensation judges" means the Chief Judges, administrative supervisory judges, supervisory judges and judges of compensation of the Division of Workers' Compensation of the Department of Labor.

2. Notwithstanding the provisions of any other law, workers compensation judges shall be members of the Workers Compensation Judges Part, established pursuant to this act, P.L. , (c.) (now pending before the Legislature as this bill), of the Public Employees' Retirement System, established pursuant P.L. 1954, c. 84 (C. 43:15A-1 et seq.), and shall be subject to the same membership and benefit provisions as State employees, except as provided by P.L., c. (now pending before the Legislature as this bill). Membership in the retirement system shall be a condition of employment for service as a judge of compensation.

3. a. Notwithstanding the provisions of section 25 of P.L.1954, c. 84 (C.43:15A-25) to the contrary, a separate account shall be

established in the annuity savings fund for each workers compensation judge and all contributions based on the judge's salary shall be credited to this account. This account shall be separate from any other account that the member may have as a result of other public service covered by the retirement system.

b. A workers compensation judge shall contribute at a rate equal to 5% of the judge's salary, which contribution shall be deducted from the salary at the time or times it is paid, and which shall be exclusive of any other contribution required of the member for Social Security, contributory death benefits or deductions for any other purpose.

c. A workers compensation judge who is enrolled on the basis of other public service before, during, or after service as a judge of compensation judge shall contribute for such other service at the rate of contribution required of other members as provided by section 25.

4. a. Any workers compensation judge who has reached the age of 70 years shall be retired forthwith on the first day of the next calendar month. Any other eligible workers compensation judge may be retired on the first day of the next calendar month subsequent to the filing of a written and duly executed application with the retirement system. Such application shall be accompanied by a copy of the member's resignation which has been filed in the office of the Director of the Division of Workers' Compensation.

b. Notwithstanding the provisions of subsection a. of this section or any other law to the contrary, a workers compensation judge who is 60 years of age or older on the effective date of P.L.1999, c.380 shall be permitted to continue service as a judge until attaining 10 years of service credit under the Workers Compensation Judges Part of the retirement system.

5. Any workers compensation judge who has served at least 10 years as a judge of compensation and attained the age of 70 years shall be retired and shall receive the retirement allowance prescribed by this section.

Any workers compensation judge who has served at least 15 years as a judge of compensation and attained the age of 65 years, or served at least 20 years as a judge of compensation and attained the age of 60 years, may retire and receive the retirement allowance prescribed by this section. The retirement allowance shall consist of an annuity that shall be the actuarial equivalent of the member's accumulated deductions together with regular interest, and a pension that, when added to the member's annuity, shall provide a retirement allowance during the remainder of the member's life in the amount equal to three-quarters of the member's final salary.

6. Any workers compensation judge who has:

- a. served at least five years successively as a judge of compensation and attained the age of 65 years or more while serving in such office and has served at least 15 years of aggregate public service, or
- b. served at least five years successively as a judge of compensation and attained the age of 60 years or more while serving in such office and has served at least 20 years of aggregate public service, may retire and receive the retirement allowance prescribed by this section. The retirement allowance shall consist of an annuity that shall be the actuarial equivalent of the member's accumulated deductions together with regular interest, and a pension that, when added to the member's annuity, shall provide a retirement allowance during the remainder of the member's life in an amount equal to one-half of the member's final salary.

7. Any workers compensation judge who has served at least five years successively as a judge of compensation and at least 25 years of aggregate public service, and who resigns or is not reappointed before reaching age 60, may elect "early" retirement, provided, that such election is communicated by the member to the retirement system by filing a written application, duly attested, stating at what time subsequent to the execution and filing thereof the member desires to be retired. Any member of the retirement system, eligible to retire under the provisions of this section, shall receive a retirement allowance consisting of an annuity which shall be the actuarial equivalent of the member's accumulated deductions together with regular interest, and a pension which, when added to the member's annuity, shall provide a retirement allowance during the remainder of the member's life in the amount of 2% of the member's final salary multiplied by the number of years of service up to 25 plus 1% of the member's final salary multiplied by the number of years of service over 25. Such retirement allowance shall be reduced in accordance with a table of actuarial equivalents recommended by the actuary and adopted by the retirement system reflecting all months that the member lacks of being age 60. The board of trustees shall retire the member at the time specified or at such other time within one month after the date so specified as the board finds advisable.

8. Any workers compensation judge who has served at least five years successively as a judge of compensation and at least 10 years of aggregate public service, and who resigns or is not reappointed before reaching age 60, and not by removal for cause on charges of misconduct or delinquency, may elect to receive:

- a. all of the member's accumulated deductions standing to the credit of the member's individual account in the annuity savings fund

as provided under subsection a. of section 41 of P.L. 1954, c. 84 (C. 43:15A-41), or

b. a deferred retirement allowance, beginning on the first day of the month following the member's attainment of age 60 and the filing of an application therefore, which shall consist of an annuity derived from the accumulated deductions standing to the credit of the member's account in the annuity savings fund at the time of severance from service together with regular interest, and a pension which, when added to the annuity, shall produce a retirement allowance in the amount of 2% of the member's final salary multiplied by the number of years of service up to 25 plus 1% of the member's final salary multiplied by the number of years of service over 25, provided that such inactive member may elect to receive payments provided under section 7 of this act P.L. , (c.) (now pending before the Legislature as this bill) if the member had qualified under that section at the time of leaving service, except that in order to avail the member of the option, the member shall exercise such option at least one month before the effective date of retirement.

If such inactive member shall die after attaining age 60 but before filing an application for retirement benefits pursuant to this section or section 7 of this act and for which benefits the member would have qualified, or in the event of death after retirement, there shall be paid to such member's beneficiary the death benefits prescribed by section 10 of this act.

No beneficiary shall be eligible for a pension or survivor's benefit if the member who elected to receive a deferred pension shall die before attaining age 60. Upon receipt of the proper proofs of death, the beneficiary of a member who elects to receive a deferred retirement allowance shall be paid the member's accumulated deductions at the time of death together with regular interest.

Any member who, having elected to receive a deferred pension or deferred retirement allowance, again becomes a member while under the age of 60, shall thereupon be reenrolled. The member shall be credited with all service as a member standing to the member's credit at the time of the member's election to receive a deferred pension or deferred retirement allowance.

9. a. Upon the receipt of proper proofs of the death in active service of a workers compensation judge member of the retirement system, there shall be paid to the member's widow a survivor's benefit of 25% of final salary for the use of the widow, to continue during widowhood, plus 10% of final salary payable to one surviving child or plus 15% of final salary to two or more surviving children; if there is no surviving widow or in case the widow dies or remarries, 15% of final salary shall be payable to one surviving child, 20% of final salary to two surviving children in equal shares and if there are three or more children, 30% of final salary shall be payable to such

children in equal shares. If there is no surviving widow or child, 20% of final salary shall be payable to one surviving parent or 30% of final salary shall be payable to two surviving parents in equal shares.

b. In addition to the benefits payable under subsection a. of this section, there shall also be paid in one sum to the member's beneficiary an amount equal to one and one-half times the final salary received by the member.

10. Upon the receipt of proper proofs of the death of a workers compensation judge who has retired on a pension or retirement allowance based on age and service, or pursuant to section 7 of this act, P.L. , (c.) (now pending before the Legislature as this bill) there shall be paid to the member's beneficiary, an amount equal to one-fourth of the final salary received by the member.

b. Upon the receipt of proper proofs of the death of a member who has retired on a disability pension or retirement allowance, there shall be paid to the member's beneficiary, an amount equal to one and one-half times the final salary received by the member if such death occurs before the member shall have attained 60 years of age but if such death occurs thereafter, an amount equal to one-fourth of the final salary received by the member.

11. a. Any workers compensation judge who wishes to receive credit for previous service as a judge of compensation or in an office, position, or employment of this State or of a county, municipality, board of education, or public agency of this State, shall file an application therefore with the board of trustees and pay into the annuity savings fund the amount required by applying the factor, supplied by the actuary, as being applicable to the judge's age at the time of purchase and the type of service to be purchased, to the member's salary at that time. Such purchase may be made in regular installments, equal to at least one-half the full normal contribution to the retirement system over a maximum period to be determined by the board of trustees.

In the case of any judge coming under the provisions of this section, full pension credit for the period of employment for which arrears are being paid shall be given upon the payment of at least one-half the total arrearage obligation and the completion of one year of membership and the making of such arrears payments, except that in the case of retirement, the total membership credit for such service shall be in direct proportion as the amount paid bears to the total amount of arrearage obligation.

b. The State shall pay to the retirement system the employer's accrued liability obligation on behalf of such judge purchasing prior service credit.

12. a. A workers compensation judge making contributions pursuant to the provisions of this

act, P.L. , (c.) (now pending before the Legislature as this bill), and who is not eligible for any benefits under the Workers Compensation Judges Part, may, upon termination of such service as a judge of compensation, elect to receive the return of the judges's accumulated contributions in accordance with the provisions of subsection a. of section 41 of P.L.1954, c. 84 (C.43:15A-41). If a workers compensation judge is a member of the retirement system on the basis of other public service, no application for a return of contributions shall be approved until the judge has terminated all service covered by the system and makes application for a return of all contributions made to the retirement system. If all or any part of a member's service as a workers compensation judge is applied toward qualifying for benefits under any other provision of P.L.1954,c.84 to which this act, P.L. ,c. (now pending before the Legislature as this bill), is a supplement, no return of contributions made on the basis of the workers compensation judge salary shall be approved, and in that event, service established as a workers compensation judge and salary pertaining thereto shall be credited in the same manner as all other service and salary covered by the retirement system.

b. At the time of retirement, a member enrolled on the basis of service as a judge of compensation as well as other public service shall be permitted to elect the largest possible retirement allowance, if the member qualifies for benefits under both the provisions of this act and the act to which this is a supplement. An application for a return of contributions made on the basis of such other public service not used for the calculation of a retirement allowance or to qualify for State payment for health care benefits in retirement may be approved.

c. A workers compensation judge electing to receive a retirement allowance under the Workers Compensation Judges Part shall be ineligible to receive a retirement allowance or pension for the same service under any other law of the State.

13. The actuary for the Public Employees' Retirement System shall determine the unfunded accrued liability for the Workers Compensation Judges Part of the retirement system and the benefits provided for workers compensation judges under that part in the same manner provided for the determination of the unfunded accrued liability of the retirement system by section 24 of P.L. 1954, c. 84 (C.43:15A-24). This unfunded accrued liability shall be amortized in the manner provided by section 24 over an amortization period of 30 years. Accrued liability and normal contributions for workers compensation judges shall be paid by transfers from the Second Injury Fund as provided by subsection j of R.S 34:15-94. The Commissioner of Labor may, with the authorization of and appropriation by the Legislature, pay this unfunded accrued

liability in a lump sum or over a period of time shorter than 30 years.

14. This act shall take effect immediately.”

Respectfully,

/s/ Donald T. DiFrancesco

Acting Governor

[seal]

Attest:

/s/ James A. Harkness

Chief Counsel to the Governor

[First Reprint]

ASSEMBLY, No. 2804

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED OCTOBER 5, 2000

Sponsored by:

Assemblyman DAVID C. RUSSO

District 40 (Bergen and Passaic)

Assemblyman NEIL M. COHEN

District 20 (Union)

Co-Sponsored by:

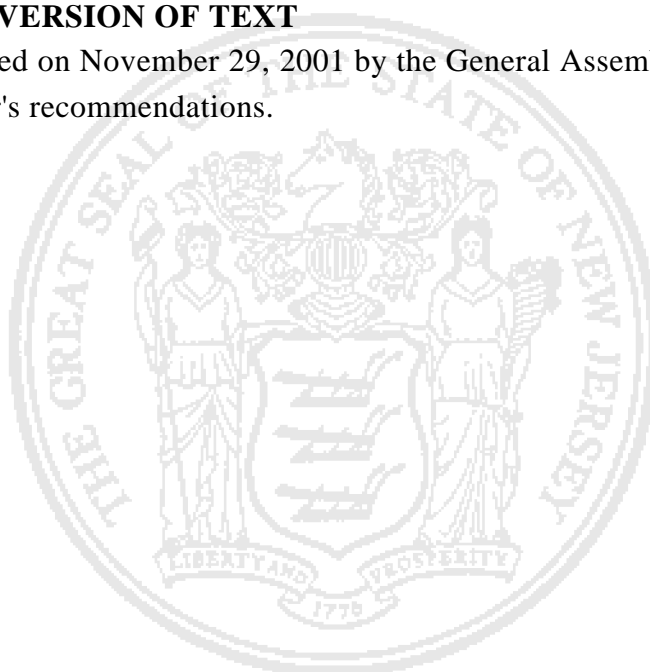
**Assemblymen Azzolina, Barnes, Assemblywoman Buono and
Assemblyman Holzapfel**

SYNOPSIS

Provides certain retirement benefits for workers compensation judges.

CURRENT VERSION OF TEXT

As amended on November 29, 2001 by the General Assembly pursuant to the Governor's recommendations.



(Sponsorship Updated As Of: 12/8/2000)

1 ¹[AN ACT establishing the Workers Compensation Judges Retirement
2 System and supplementing Title 43 of the Revised Statutes]
3 AN ACT concerning retirement benefits for workers compensation
4 judges and supplementing P.L.1954, c.84 (C.43:15A-1 et seq.)¹.

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

8
9 ¹[1. This act shall be known and may be cited as the "Workers
10 Compensation Judges Retirement System Act."]¹

11
12 ¹[2. If any provision, section, or part of any section of this act is
13 declared to be unconstitutional, the same shall not be held to affect any
14 other provision, section, or part of any section of this act, and the
15 remainder of this act shall in no way thereby be invalidated.]¹

16
17 ¹[3. As used in this act:

18 "Accumulated deductions" means the sum of all amounts, deducted
19 from the compensation of a member or contributed by or on behalf of
20 the member, standing to the credit of the member's individual account
21 in the annuity savings fund.

22 "Annuity" means payments for life derived from the accumulated
23 deductions of a member as provided in this act.

24 "Annuity reserve" means the present value of all payments to be
25 made on account of any annuity or benefit in lieu of an annuity
26 computed on the basis of such mortality tables recommended by the
27 actuary as the board of trustees adopts with regular interest.

28 "Beneficiary" means any person entitled to receive any benefit
29 pursuant to the provisions of this act by reason of the death of a
30 member or retirant.

31 "Child" means a deceased member's or retirant's unmarried child
32 who is (a) under the age of 18; (b) of any age who, at the time of the
33 member's or retirant's death, is disabled because of mental retardation
34 or physical incapacity, is unable to do any substantial, gainful work
35 because of the impairment, and the impairment has lasted or can be
36 expected to last for a continuous period of not less than 12 months, as
37 affirmed by the medical board; or (c) under the age of 21 and is
38 attending school full time.

39 "Compensation" means the base salary, for services as a member as
40 defined in this act, which is in accordance with established salary

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly amendments adopted in accordance with Governor's recommendations November 29, 2001.

1 policies of the State for all employees in the same position, but shall
2 not include individual salary adjustments which are granted primarily
3 in anticipation of the member's retirement or additional remuneration
4 for performing temporary duties beyond the regular work schedule.

5 "Division" means the Division of Pensions and Benefits in the
6 Department of Treasury

7 "Final salary" means the annual salary received by the member at
8 the time of retirement or death.

9 "Fiscal year" means any year commencing with July 1 and ending
10 with June 30 next following.

11 "Medical board" means the board of physicians provided for in
12 section 7 of this act.

13 "Member" means the Chief Judge, the administrative supervisory
14 judges, the supervisory judges, and the judges of compensation of the
15 Division of Workers' Compensations of the Department of Labor
16 required to be enrolled in the retirement system established by this act.

17 "Parent" means the parent of a member who was receiving at least
18 one-half of the parent's support from the member in the 12-month
19 period immediately preceding the member's death or the accident
20 which was the direct cause of the member's death. The dependency of
21 such a parent shall be considered terminated by marriage of the parent
22 subsequent to the death of the member.

23 "Pension" means payment for life derived from contributions by the
24 State.

25 "Pension reserve" means the present value of all payments to be
26 made on account of any pension or benefit in lieu of a pension
27 computed on the basis of such mortality tables recommended by the
28 actuary as shall be adopted by the board of trustees with regular
29 interest.

30 "Regular interest" means interest as determined by the State
31 Treasurer, after consultation with the Director of the Division of
32 Investment, the Director of the Division of Pensions and Benefits, the
33 board of trustees, and the actuary of the system, which interest shall
34 bear a reasonable relationship to the percentage rate of earnings on
35 investments based on the market value of assets, but shall not exceed
36 the assumed percentage rate of increase applied to salaries plus 3%,
37 provided, however, that the board of trustees shall not set the average
38 percentage rate of increase applied to salaries below 6%.

39 "Retirant" means any former member receiving a pension or
40 retirement allowance as provided by this act.

41 "Retirement allowance" means the pension plus the annuity.

42 "Retirement system" or "system" herein refers to the Workers
43 Compensation Judges Retirement System of New Jersey, which is the
44 corporate name of the arrangement for the payment of pensions,
45 retirement allowances, and other benefits under the provisions of this
46 act including the several funds placed under the system.

1 "Service" means public service rendered for which credit is allowed
2 on the basis of contributions made by the State.

3 "Widow" means the woman to whom a member or a retirant was
4 married at least four years before the date of his death and to whom
5 he continued to be married until the date of his death. In the event of
6 accidental death, the four-year qualification shall be waived. When
7 used in this act, the term "widow" shall mean and include "widower"
8 as may be necessary and appropriate to the particular situation.

9 "Widower" means the man to whom a member or a retirant was
10 married at least four years before the date of her death and to whom
11 she continued to be married until the date of her death. In the event of
12 accidental death, the four-year qualification shall be waived.】¹

13
14 ¹[4. There is hereby established the Workers Compensation Judges
15 Retirement System of New Jersey in the Division of Pensions and
16 Benefits of the Department of the Treasury. The retirement system
17 shall have the powers and privileges of a corporation. Its purpose
18 shall be to provide pensions and other benefits for its members and
19 their beneficiaries in accordance with the provisions of this act. By
20 that name, all of its business shall be transacted, its funds invested,
21 warrants for money drawn, and payments made and all of its cash and
22 securities and other property held.】¹

23
24 ¹[5. The membership of the retirement system shall include the
25 Chief Judges, the administrative supervisory judges, the supervisory
26 judges and the judges of compensation of the Division of Workers'
27 Compensation of the Department of Labor. Membership in the
28 retirement system shall be a condition for service for the judges herein
29 listed and shall cease upon retirement, death or resignation.】¹

30
31 ¹[6. Not more than one year shall be credited in the retirement
32 system for all service in a calendar year. In computing years of
33 service, any service for which the member did not receive an annual
34 salary or compensation of at least \$500 shall be disregarded. Only
35 service as a public employee of New Jersey shall be considered.】¹

36
37 ¹[7. a. The general responsibility for the proper operation of the
38 retirement system shall be vested in the board of trustees. Subject to
39 the limitations of the law, the board shall annually establish rules and
40 regulations for the administration and transaction of its business and
41 for the control of the funds created by this act. Such rules and
42 regulations shall be consistent with those adopted by the other pension
43 funds within the division in order to permit the most economical and
44 uniform administration of all such retirement systems.

45 The membership of the board shall consist of the following:

46 (1) two trustees appointed by the Governor, with the advice and

1 consent of the Senate, who shall serve for a term of office of three
2 years and until their successors are appointed, who shall be private
3 citizens of the State of New Jersey and who are neither an officer
4 thereof nor active or retired members of the system. Of the two
5 trustees initially appointed by the Governor, one shall be appointed for
6 a term of two years and one for a term of three years.

7 (2) the State Treasurer or the Deputy State Treasurer, when
8 designated for that purpose by the State Treasurer.

9 (3) two trustees elected for a term of three years by the members
10 of the retirement system from among the active or retired members of
11 the retirement system in a manner prescribed by the board of trustees.

12 A vacancy occurring in the board of trustees shall be filled by the
13 appointment or election of a successor in the same manner as the
14 predecessor.

15 Each trustee of the board shall, upon appointment or election, take
16 an oath of office that the trustee will diligently and honestly administer
17 the board's affairs and will not knowingly violate or willfully permit to
18 be violated any provision of this act or any other law applicable to this
19 act. The oath shall be subscribed to by the trustee making it, certified
20 by the officer before whom it is taken and filed immediately in the
21 office of the Secretary of State.

22 The board shall elect annually from its membership a chairman and
23 may also elect a vice-chairman who shall have all the power and
24 authority of the chairman in the event of the death, absence or
25 disability of the chairman.

26 Each trustee shall be entitled to one vote in the board and a
27 majority of all the votes of the entire board shall be necessary for a
28 decision by the board of trustees at a meeting of the board. The board
29 shall keep a record of all its proceedings, which shall be open to public
30 inspection.

31 The trustees of the board shall serve without compensation but shall
32 be reimbursed for any necessary expenditures. No judge of
33 compensation shall suffer loss of salary or wages through serving on
34 the board.

35 b. The State Treasurer shall designate a medical board after
36 consultation with the director of the division, subject to veto by the
37 board of trustees for valid reason. The board shall be composed of
38 three physicians. The medical board shall pass upon all medical
39 examinations required under the provisions of this act, investigate all
40 essential statements and certificates by or on behalf of a member in
41 connection with an application for disability retirement, and report in
42 writing to the retirement system its conclusions and recommendations
43 upon all matters referred to it.]¹

44

45 ¹[8. The actuary of the system shall be selected by the Retirement
46 Systems Actuary Selection Committee established by section 19 of

1 P.L.1992, c.125 (C.43:4B-1).

2 The actuary shall be the technical adviser to the board of trustees
3 on matters regarding the operation of the funds created by the
4 provisions of this act and shall perform such other duties as are
5 required in connection therewith.

6 The Attorney General shall be the legal adviser of the retirement
7 system, except that if the Attorney General determines that a conflict
8 of interest would affect the ability of the Attorney General to represent
9 the board on a matter affecting the retirement system, the board may
10 select and employ legal counsel to advise and represent the board on
11 that matter.

12 The chief or assistant chief of the office of secretarial services of
13 the division shall be the secretary of the board.

14 The expenses of administration of the retirement system shall be
15 paid by the State of New Jersey.]¹

16

17 ¹[9. The actuary shall recommend, and the division shall keep in
18 convenient form, such data as shall be necessary for actuarial valuation
19 of the various funds created by this act. At least once in every
20 three-year period, the actuary shall make an actuarial investigation into
21 the mortality, service, and compensation or salary experience of the
22 members and beneficiaries as defined in this act and shall make a
23 valuation of the assets and liabilities of the various funds created by
24 this act. Upon the basis of such investigation and valuation, with the
25 advice of the actuary, the board of trustees shall:

26 a. adopt for the retirement system such mortality, service and other
27 tables as shall be deemed necessary; and

28 b. certify the rates of contribution, expressed as a proportion of the
29 compensation of members, which shall be made by the State to the
30 contingent reserve fund.]¹

31

32 ¹[10. Annuity values, including actuarial equivalents under
33 optional selections, for all members of the retirement system shall be
34 determined without reference to sex, provided, however, that this act
35 shall not limit the actuary from using sex as a factor in the actuarial
36 valuation required pursuant to section 9 of this act.]¹

37

38 ¹[11. The retirement system shall publish annually a report
39 showing a valuation of the assets and liabilities of the funds created by
40 this act, certifying as to the accumulated cash and securities of the
41 funds and stating other facts pertaining to the system. The board shall
42 submit the report to the Governor and furnish a copy to the
43 Department of Labor and the Division of Workers' Compensation for
44 use of the members and the public.]¹

1 ¹[12. Under this act, there shall be established a contingent reserve
2 fund, an annuity savings fund, and a retirement reserve fund.]¹

3

4 ¹[13. The contingent reserve fund shall be the fund in which shall
5 be credited contributions made by the State.

6 a. Upon the basis of the tables recommended by the actuary which
7 the board of trustees adopts and regular interest, the actuary shall
8 compute annually the amount of the contribution, expressed as a
9 proportion of the compensation paid to all members, which if paid
10 monthly during the entire prospective service of the members, shall be
11 sufficient to provide for the pension reserves required at the time of
12 discontinuance of active service to cover all pensions to which they
13 may be entitled or which are payable on their account and to provide
14 for the amount of the death benefits payable on their account, which
15 amount is not covered by other contributions to be made as provided
16 in this section and the funds in hand available for such benefits. This
17 shall be known as the "normal contribution."

18 b. Upon the basis of the tables recommended by the actuary which
19 the board adopts and regular interest, the actuary shall compute the
20 amount of the unfunded liability as of the effective date of this act,
21 which has accrued on the basis of services rendered prior to the day
22 after that effective date by all members, including the amount of the
23 liability accrued by reason of pensions to be granted on account of
24 services rendered by members, which has not already been covered by
25 previous State contributions to the Public Employees' Retirement
26 System, P.L.1954, c.84 (C.43:15A-1 et seq.), transferred to the
27 retirement system under provision of subsection d. Using the total
28 amount of this unfunded accrued liability, the actuary shall compute
29 the amount of the flat annual payment which, if paid in each
30 succeeding fiscal year commencing with one year and one day after the
31 effective date of this act for a period of 40 years, shall provide for this
32 liability. This shall be known as the "unfunded accrued liability."

33 c. The actuary shall certify annually the aggregate amount payable
34 to the contingent reserve fund in the ensuing fiscal year, which amount
35 shall be equal to the sum of the proportion of the earnable salary of all
36 members, computed as described in subsection a., and of the State's
37 accrued liability contribution, payable in the ensuing fiscal year, as
38 described in subsection b. The State shall pay into the contingent
39 reserve fund during the ensuing fiscal year the amount so determined.

40 The cash death benefits, payable as the result of contribution by the
41 State under the provisions of this act upon the death of a member in
42 active service and after retirement, shall be paid from the contingent
43 reserve fund.

44 d. Within 90 days following the effective date of this act, the Public
45 Employees' Retirement System shall transfer that portion of the
46 actuarial reserves established in that system on the basis of

1 contributions made by the State on behalf of those judges of
2 compensation whose membership in the Public Employees' Retirement
3 System shall be terminated by provisions of this act and whose
4 retirement and death benefit coverage shall be provided by the
5 Workers Compensation Judges Retirement System. This transfer of
6 the reserves to the retirement system established by this act shall be
7 accomplished upon certification by the consulting actuary of the Public
8 Employees' Retirement System as to the amounts to be transferred.]]¹

9
10 ¹[14. a. The annuity savings fund shall be the fund in which shall
11 be credited aggregate contributions made by members or on their
12 behalf to provide for their allowances. The aggregate contributions of
13 a member withdrawn by the member or paid to the member's estate or
14 the member's designated beneficiary in the event of death as provided
15 by this act shall be paid from the annuity savings fund. Upon the
16 retirement 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 b. During each pay period, there shall be deducted from the payroll
21 of each member of the system the same percentage of compensation
22 for the position held by the member as is required to be contributed by
23 a member of the Public Employees' Retirement System pursuant to
24 section 25 of P.L.1954, c.84 (C.43:15A-25).

25 Every judge of compensation to whom this act applies shall be
26 deemed to consent and agree to any deduction from the member's
27 compensation required by this act and to all other provisions of this
28 act. Notwithstanding any other law, rule or regulation affecting the
29 salary, pay, compensation, other perquisites, or tenure of person to
30 whom this act applies, or shall apply, and notwithstanding that the
31 minimum salary, pay, or compensation or other perquisites provided
32 by law for the member shall be reduced thereby, payment, less such
33 deductions, shall be a full and complete discharge and acquittance of
34 all claims and demands for service rendered by the member during the
35 period covered by such payment.]]¹

36
37 ¹[15. The retirement reserve fund shall be the fund from which all
38 pensions and retirement allowances shall be paid.

39 Upon the retirement of the member, the member's accumulated
40 deductions together with regular interest shall be transferred to the
41 retirement reserve fund from the annuity savings fund. The reserve
42 needed to produce the pension shall be transferred from the contingent
43 reserve fund. If the pension of a member who has been retired is
44 subsequently canceled, the appropriate reserve shall be transferred to
45 the contingent reserve fund. If the retirement allowance of a member
46 who has been retired is subsequently canceled, the appropriate reserve

1 shall be transferred to the annuity savings fund and the contingent
2 reserve fund.

3 Any surplus or deficit developing in the retirement reserve fund
4 shall be adjusted from time to time by transfer to or from the
5 contingent reserve fund by appropriate action of the retirement system
6 upon the advice of the actuary.】¹

7

8 ¹[16. The board of trustees at the end of each fiscal year shall
9 allow interest on the balance of the contingent reserve fund, the
10 annuity savings fund, and the retirement reserve fund as of the
11 beginning of said fiscal year at the regular interest rate applicable
12 thereto to cover the interest creditable to the respective funds for the
13 year. The amount so allowed shall be due and payable to the funds
14 and shall be credited annually thereto by the board.】¹

15

16 ¹[17. Regular interest charges payable, the creation and
17 maintenance of reserves in the contingent reserve fund, the
18 maintenance of retirement reserves as provided for in this act, and the
19 payment of all pensions, retirement allowances, and other benefits
20 granted by the board of trustees under the provisions of this act are
21 hereby made obligations of the State. All income, interest, and
22 dividends derived from deposits and investments authorized by this
23 act shall be used for the payment of these obligations of the State.

24 Upon the basis of such actuarial determination and appraisal
25 provided for in this act, an itemized estimate of the amounts necessary
26 to be appropriated by the State to the various funds to provide for the
27 payment in full during the ensuing fiscal year of the obligations of the
28 State accruing during that year shall be submitted by the retirement
29 system to the Governor so that it may be included in the budget
30 request submitted by the Governor to the Legislature. The Legislature
31 shall make an appropriation sufficient to provide for such obligations
32 of the State. The amounts so appropriated shall be paid into the
33 contingent reserve fund.】¹

34

35 ¹[18. a. No other provisions of the law in any other statute which
36 provides wholly or partly at the expense of the State of New Jersey,
37 or any political subdivision thereof, for pensions or retirement benefits
38 for members of this system and for beneficiaries shall apply to such
39 members or beneficiaries.

40 b. Notwithstanding anything to the contrary, the retirement system
41 shall not be liable for the payment of any pensions, retirement
42 allowances or other benefits to any member or beneficiary for which
43 reserves have not been previously created from funds contributed by
44 the members or the State for such benefits.】¹

45

46 ¹[19. Any member of the retirement system who has reached the

1 age of 70 years shall be retired forthwith. Any other eligible member
2 of the retirement system may be retired on the first day of the next
3 calendar month subsequent to the filing of a written and duly executed
4 application with the retirement system. Such application shall be
5 accompanied by a copy of the member's resignation which has been
6 filed in the office of the Director of the Division of Workers'
7 Compensation.]¹

8
9 ¹[20. a. Any member who has served at least 10 years as a judge
10 of compensation and attained the age of 70 years shall be retired.

11 b. Any member who has served at least 15 years as a judge of
12 compensation and attained the age of 65 years but not the age of 70
13 years, may retire.

14 c. Any member who has served at least 20 years as a judge of
15 compensation and attained the age of 60 years but not the age of 65
16 years, may retire.

17 d. Any member of the retirement system eligible to retire under the
18 provisions of this section shall receive a retirement allowance
19 consisting of an annuity which shall be the actuarial equivalent of the
20 member's accumulated deductions together with regular interest, and
21 a pension which, when added to the member's annuity, shall provide
22 a retirement allowance during the remainder of the member's life in the
23 amount equal to three-quarters of the member's final salary.]¹

24
25 ¹[21. a. Any member who has served at least five years
26 successively as a judge of compensation and attained the age of 65
27 years or more while serving in such office and has served at least 15
28 years in the aggregate, including such service as a judge, or in an
29 office, position, or employment of this State or of a county,
30 municipality, board of education or public agency of this State, may
31 retire.

32 b. Any member who has served at least five years successively as
33 a judge of compensation and attained the age of 60 years or more
34 while serving in such office and has served at least 20 years in the
35 aggregate, including such service as a judge, or in an office, position,
36 or employment of this State or of a county, municipality, board of
37 education or public agency of this State, may retire.

38 c. Any member of the retirement system, eligible to retire under the
39 provisions of this section, shall receive a retirement allowance
40 consisting of an annuity which shall be the actuarial equivalent of the
41 member's accumulated deductions together with regular interest, and
42 a pension which, when added to the member's annuity, shall provide
43 a retirement allowance during the remainder of the member's life in an
44 amount equal to one-half of the member's final salary.]¹

45
46 ¹[22. Any member who has served at least five years successively

1 as a judge of compensation and at least 25 years in the aggregate,
2 including such service as a judge or in an office, position, or
3 employment of this State or a county, municipality, board of
4 education, or public agency of this State, and who resigns or is not
5 reappointed before reaching age 60, may elect "early" retirement,
6 provided, that such election is communicated by the member to the
7 retirement system by filing a written application, duly attested, stating
8 at what time subsequent to the execution and filing thereof the member
9 desires to be retired. Any member of the retirement system, eligible
10 to retire under the provisions of this section, shall receive a retirement
11 allowance consisting of an annuity which shall be the actuarial
12 equivalent of the member's accumulated deductions together with
13 regular interest, and a pension which, when added to the member's
14 annuity, shall provide a retirement allowance during the remainder of
15 the member's life in the amount of 2% of the member's final salary
16 multiplied by the number of years of service up to 25 plus 1% of the
17 member's final salary multiplied by the number of years of service over
18 25. Such retirement allowance shall be reduced in accordance with a
19 table of actuarial equivalents recommended by the actuary and adopted
20 by the retirement system reflecting all months that the member lacks
21 of being age 60.

22 The board of trustees shall retire the member at the time specified
23 or at such other time within one month after the date so specified as
24 the board finds advisable.]¹

25

26 ¹[23. Any member who has served at least five years successively
27 as a judge of compensation and at least 10 years in the aggregate,
28 including such service as a judge or in an office, position, or
29 employment of this State or a county, municipality, board of
30 education, or public agency of this State, and who resigns or is not
31 reappointed before reaching age 60, and not by removal for cause on
32 charges of misconduct or delinquency, may elect to receive:

33 a. All of the member's accumulated deductions standing to the
34 credit of the member's individual account in the annuity savings fund,
35 or

36 b. A deferred retirement allowance, beginning on the first day of
37 the month following the member's attainment of age 60 and the filing
38 of an application therefor, which shall consist of an annuity derived
39 from the accumulated deductions standing to the credit of the
40 member's account in the annuity savings fund at the time of severance
41 from service together with regular interest, and a pension which, when
42 added to the annuity, will produce a retirement allowance in the
43 amount of 2% of the member's final salary multiplied by the number of
44 years of service up to 25 plus 1% of the member's final salary
45 multiplied by the number of years of service over 25, provided that
46 such inactive member may elect to receive payments provided under

1 section 22 of this act if the member had qualified under that section at
2 the time of leaving service, except that in order to avail the member of
3 the option, the member shall exercise such option at least one month
4 before the effective date of retirement.

5 If such inactive member shall die after attaining age 60 but before
6 filing an application for retirement benefits pursuant to this section or
7 section 22 of this act and for which benefits the member would have
8 qualified, or in the event of death after retirement, there shall be paid
9 to such member's beneficiary the death benefits prescribed by section
10 32 of this act.

11 No beneficiary shall be eligible for a pension or survivor's benefit if
12 the member who elected to receive a deferred pension prior to the
13 effective date of this act or who elects to receive a deferred retirement
14 allowance following the effective date of this act shall die before
15 attaining age 60. Upon receipt of the proper proofs of death, the
16 beneficiary of a member who elects to receive a deferred retirement
17 allowance shall be paid the member's accumulated deductions at the
18 time of death together with regular interest.

19 Any member who, having elected to receive a deferred pension or
20 deferred retirement allowance, again becomes a member while under
21 the age of 60, shall thereupon be reenrolled. The member shall be
22 credited with all service as a member standing to the member's credit
23 at the time of the member's election to receive a deferred pension or
24 deferred retirement allowance.]¹

25

26 ¹[24. At the time of retirement, a member shall receive benefits in
27 a retirement allowance payable throughout life, or the member may, on
28 retirement, elect to receive the actuarial equivalent of the member's
29 retirement allowance, in a lesser retirement allowance payable
30 throughout life, with the provision that:

31 Option 1. If the member dies before the member has received in
32 payments the present value of the retirement allowance as it was at the
33 time of retirement, the balance shall be paid to the member's legal
34 representative or to such person as the member shall nominate by
35 written designation acknowledged and filed with the retirement
36 system, either in a lump sum or by equal payments over a period of
37 years at the option of the payee. If the member shall have designated
38 a natural person as the payee, said payee may elect to receive such
39 payments in the form of a life annuity.

40 Option 2. Upon death, the member's retirement allowance shall be
41 continued throughout the life of and paid to such person as the
42 member shall nominate by written designation duly acknowledged and
43 filed with the retirement system at the time of retirement.

44 Option 3. Upon death, one-half of the member's retirement
45 allowance shall be continued throughout the life of and paid to such
46 person as the member shall nominate by written designation duly

1 acknowledged and filed with the retirement system at the time of
2 retirement.

3 Option 4. Some other benefit or benefits shall be paid either to the
4 member or to whomever the member nominates, if such other benefit
5 or benefits, together with the lesser retirement allowance, shall be
6 certified by the actuary to be of equivalent actuarial value. In no case,
7 however, shall the lesser retirement allowance be smaller than that
8 provided under Option 2.

9 If the total amount of benefits paid to a retirant who does not elect
10 to receive benefits in the form of an optional settlement, or to the
11 retirant and the designated beneficiary in the case of a retirant who
12 does so elect, before the death of the retirant or the retirant and the
13 beneficiary is less than the deductions accumulated in the retirant's
14 account at the time of retirement, including regular interest, the
15 balance shall be paid in one lump sum to the retirant's designated
16 beneficiary or estate in the manner provided in section 50 of this act.

17 If a member dies within 30 days after the date of retirement or the
18 date of board approval, whichever is later, the member's retirement
19 allowance shall not become effective and the member shall be
20 considered an active member at the time of death. However, if the
21 member dies after the date the application for retirement was filed with
22 the system, the retirement shall become effective if:

23 a. the deceased member had designated a beneficiary under an
24 optional settlement provided by this section; and

25 b. the surviving beneficiary requests in writing that the board make
26 such a selection. Upon formal action by the board approving that
27 request, the request shall be irrevocable.

28 The board may select an Option 3 settlement, on behalf of the
29 beneficiary of a member who applied for and was eligible for
30 retirement but who died prior to the effective date of the retirement
31 allowance, if all of the above conditions, with the exception of
32 paragraph a., are met.]¹

33

34 ¹[25. Notwithstanding the provisions of this act or any other law
35 to the contrary, whenever a member of the retirement system elects a
36 retirement allowance which is payable for the life of the member only
37 and terminating at the member's death, without refund of any kind to
38 the spouse, the member shall be required, before electing that benefit,
39 to sign a form stating that the member has elected that benefit, that the
40 member understands that it is payable during the member's lifetime
41 only and that no benefits shall be payable to the member's spouse after
42 death. The division shall notify the member's spouse if the member
43 identifies the spouse on the form. Notification shall be by certified
44 mail to the spouse's address as provided on the form by the member.
45 If the member has not provided an address for the spouse on the form,
46 the division shall send the notice, by certified mail, to the spouse at the

1 member's address. The notice shall advise the spouse that the
2 retirement benefit chosen by the member is payable during the
3 member's lifetime only and that no benefits, other than any applicable
4 life insurance benefits, shall be payable to the beneficiary after the
5 member's death.]¹

6

7 ¹[26. A member who has 10 or more years of credit for New
8 Jersey service, upon the application of the head of the Department of
9 Labor or upon the member's own application or the application of one
10 acting in the member's behalf, shall be retired for ordinary disability by
11 the board of trustees if the physician or physicians designated by the
12 board shall have first made a medical examination of the member at the
13 member's residence or at any other place mutually agreed upon and
14 shall have certified to the board that the member is physically or
15 mentally incapacitated for the performance of duty and should be
16 retired.]¹

17

18 ¹[27. A member, upon the application of the head of the
19 Department of Labor or upon the member's own application or the
20 application of one acting in the member's behalf, shall be retired by the
21 board of trustees on an accidental disability allowance, if the member
22 is permanently and totally disabled as a direct result of a traumatic
23 event occurring during and as a result of the performance of regular
24 or assigned duties. A traumatic event occurring during voluntary
25 performance of regular or assigned duties at a place of employment
26 before or after required hours of employment, which is not in violation
27 of any valid work rule of the employer or otherwise prohibited by the
28 employer, shall be deemed as occurring during the performance of
29 regular or assigned duties.

30 The application to accomplish such retirement shall be filed within
31 five years of the original traumatic event, but the board of trustees may
32 consider an application filed after the five-year period if it can be
33 factually demonstrated to the satisfaction of the board of trustees that
34 the disability is due to the accident and the filing was not accomplished
35 within the five-year period due to a delayed manifestation of the
36 disability or to circumstances beyond the control of the member.

37 Permanent and total disability resulting from a cardiovascular,
38 pulmonary or musculo-skeletal condition which was not a direct result
39 of a traumatic event occurring in the performance of duty shall be
40 deemed an ordinary disability.

41 Before consideration of the application by the board of trustees, (1)
42 the physician or physicians designated by the board shall have first
43 made a medical examination of the member at the member's residence
44 or at any other place mutually agreed upon and shall have certified to
45 the board that the member is physically or mentally incapacitated for
46 the performance of duty, and should be retired, and (2) the appointing

1 authority shall have certified to the board of trustees that the member
2 is permanently and totally disabled as a direct result of a traumatic
3 event occurring during and as a result of the performance of regular
4 or assigned duties, the time and place where the duty causing the
5 disability was performed, that the disability was not the result of
6 willful negligence and that the member should be retired.]]¹

7
8 ¹[28. a. Once each year, the retirement system may, and upon the
9 member's application shall, require any disability retirant who is under
10 the age of 60 years to undergo medical examination by a physician or
11 physicians designated by the system for a period of five years
12 following the retirement in order to determine whether or not the
13 disability which existed at the time the member was retired has
14 vanished or has materially diminished. If the disability retirant is
15 engaged in an occupation, then the amount of the pension shall be
16 reduced to an amount which, when added to the amount then earned,
17 shall not exceed the amount of the salary now attributable to the
18 member's former position. If the member's earnings have changed
19 since the date of the last adjustment, then the amount of the pension
20 may be further altered, but the new pension shall not exceed the
21 amount of pension originally granted.

22 If a disability retirant, while under the age of 60 years, refuses to
23 submit to at least one medical examination in any year by a physician
24 or physicians designated by the system, the member's pension shall be
25 discontinued until withdrawal of the refusal. If the report of the
26 medical board shall show that such retirant is able to perform either
27 the former duty or other comparable duty which the member's former
28 employer is willing to assign to the member, the disability retirant shall
29 report for duty. Such a disability retirant shall not suffer any loss of
30 benefits while the retirant awaits restoration to active service. If the
31 disability retirant fails to return to duty within 10 days after being
32 ordered so to do, or within such further time as may be allowed by the
33 board of trustees for valid reason, as the case may be, the pension shall
34 be discontinued during such default.

35 b. If a disability retirant becomes employed again in a position
36 which makes the retirant eligible to be a member of the retirement
37 system, the retirement allowance and the right to any death benefit as
38 a result of former membership, shall be canceled until the member
39 again retires.

40 Such person shall be reenrolled in the retirement system and shall
41 contribute thereto at a rate based on age at the time of the prior
42 enrollment. Such person shall be treated as an active member for
43 determining disability or death benefits while in service and no benefits
44 pursuant to an optional selection with respect to the member's former
45 membership shall be paid if death shall occur during the period of such
46 reenrollment.

1 Upon subsequent retirement, the member shall receive a retirement
2 allowance based on all service as a member computed in accordance
3 with applicable provisions of this act, but the total retirement
4 allowance upon subsequent retirement shall not be a greater
5 proportion of the member's final compensation than the proportion to
6 which the member would have been entitled had the member remained
7 in service during the period of prior retirement. Any death benefit to
8 which such member shall be eligible shall be based on the member's
9 latest retirement.]¹

10
11 ¹[29. Upon retirement for ordinary disability, a member shall
12 receive a retirement allowance consisting of an annuity which shall be
13 the actuarial equivalent of the member's accumulated deductions
14 together with regular interest, and a pension, which when added to the
15 member's annuity, will provide a retirement allowance of 1 1/2 % of
16 final compensation multiplied by the member's number of years of
17 creditable service, provided that, in no event shall the allowance be
18 less than 40% of final salary, except that in no case shall the rate of
19 allowance exceed 9/10 of the retirement allowance which the member
20 would have received had the member remained in service from the date
21 of retirement to age 70.

22 Upon the receipt of proper proofs of the death of a member who
23 retired on an ordinary disability retirement allowance, there shall be
24 paid to such member's beneficiary, an amount equal to one and one-
25 half times the compensation upon which contributions by the member
26 to the annuity savings fund were based in the last year of creditable
27 service; provided, however, that if such death shall occur after the
28 member shall have attained age 60, the amount payable shall equal
29 one-fourth of such compensation.]¹

30
31 ¹[30. Upon retirement for accidental disability, a member shall
32 receive a retirement allowance consisting of an annuity which shall be
33 the actuarial equivalent of the member's accumulated deductions
34 together with regular interest, and a pension which, when added to the
35 member's annuity, will provide a retirement allowance of 2/3 of the
36 member's actual annual compensation for which contributions were
37 being made at the time of the occurrence of the accident.

38 Upon receipt of proper proofs of the death of a member who retired
39 on an accidental disability retirement allowance, there shall be paid to
40 such member's beneficiary, an amount equal to one and one-half times
41 the compensation upon which contributions by the member to the
42 annuity savings fund were based in the last year of creditable service;
43 provided, however, that if such death shall occur after the member
44 shall have attained age 60, the amount payable shall equal one-fourth
45 of such compensation.]¹

1 ¹[31. a. Upon the receipt of proper proofs of the death in active
2 service of a member of the retirement system, there shall be paid to the
3 member's widow a survivor's benefit of 25% of final salary for the use
4 of the widow, to continue during widowhood, plus 10% of final salary
5 payable to one surviving child or plus 15% of final salary to two or
6 more surviving children; if there is no surviving widow or in case the
7 widow dies or remarries, 15% of final salary shall be payable to one
8 surviving child, 20% of final salary to two surviving children in equal
9 shares and if there are three or more children, 30% of final salary shall
10 be payable to such children in equal shares. If there is no surviving
11 widow or child, 20% of final salary shall be payable to one surviving
12 parent or 30% of final salary shall be payable to two surviving parents
13 in equal shares.

14 b. In addition to the benefits payable under subsection a., there
15 shall also be paid in one sum to the member's beneficiary an amount
16 equal to one and one-half times the final salary received by the
17 member.

18 c. For the purposes of this section, final salary means the current
19 salary for the position in which the member served at the time of
20 death.

21 d. The eligibility of a widow or widower to receive a survivor's
22 benefit shall be considered terminated by the marriage of the widow or
23 widower subsequent to the member's death.]¹

24

25 ¹[32. a. Upon the receipt of proper proofs of the death of a
26 member who has retired on a pension or retirement allowance based
27 on age and service, or pursuant to section 22 of this act, there shall be
28 paid to the member's beneficiary, an amount equal to one-fourth of the
29 final salary received by the member.

30 b. Upon the receipt of proper proofs of the death of a member who
31 has retired on a disability pension or retirement allowance, there shall
32 be paid to the member's beneficiary, an amount equal to one and
33 one-half times the final salary received by the member if such death
34 occurs before the member shall have attained 60 years of age but if
35 such death occurs thereafter, an amount equal to one-fourth of the
36 final salary received by the member.]¹

37

38 ¹[33. Any other provision of this act notwithstanding, (a) no
39 beneficiary of a retirant who retired for any reason other than disability
40 shall be entitled to receive benefits pursuant to the death benefit
41 coverages provided by section 32 of this act if the retirant had less
42 than 10 years of service credit for retirement purposes at the time of
43 retirement; and (b) no member or beneficiary shall be entitled to
44 receive a monthly pension, retirement allowance or other benefit
45 payable pursuant to this act unless the amount of the pension,
46 retirement allowance or benefit would be at least \$25 per month.]¹

1 ¹[34. a. Each member of the retirement system on the effective
2 date of this act and each person who thereafter becomes a member
3 shall be eligible to purchase the additional death benefit coverage
4 hereinafter described, provided the member selects such coverage
5 within one year after that effective date or after the effective date of
6 membership, whichever date is later.

7 b. A person becoming a member of the retirement system after the
8 effective date of this act who on the date of becoming a member is less
9 than 60 years of age shall automatically be covered for such additional
10 death benefit coverage from the first day of membership on which the
11 person is actively at work and performing all regular duties at the
12 customary place of employment. Such automatic coverage shall
13 continue during the member's first year of membership, and during that
14 year the member shall make contributions as fixed by the retirement
15 system. Additional death benefit coverage for the member shall
16 continue in effect after the first year of membership on the continuance
17 of payment of the required contributions therefor.

18 c. A person becoming a member of the retirement system after the
19 effective date of this act who on the date of becoming a member is 60
20 or more years of age may, within one year from the date of
21 membership, elect to purchase such additional death benefit coverage,
22 provided that the member furnishes satisfactory evidence of
23 insurability and on the date of such election is actively at work and
24 performing all regular duties at the customary place of employment.

25 d. Notwithstanding other provisions of this section relating to the
26 amount of death benefit applicable to a member who has acquired or
27 shall acquire additional death benefit coverage, the death benefit
28 payable in the event of death occurring on or after the effective date
29 of this act and during the first year of membership shall be based upon
30 the member's annual base salary. The effective date of coverage of any
31 person electing to purchase additional death benefit coverage pursuant
32 to the provisions of subsection a. or c. shall be the first day of the
33 month immediately following the date of such election unless evidence
34 of insurability is required as a condition of such election in which event
35 the effective date of coverage shall be the first day of the month which
36 immediately follows the later of (1) the date of such election, or (2)
37 the date such evidence is determined to be satisfactory.

38 e. The board of trustees shall establish schedules of contributions
39 to be made by the members who elect to purchase the additional death
40 benefit coverage. Such contributions shall be so computed that the
41 contributions made by or on behalf of all covered members in the
42 aggregate shall be sufficient to provide for the cost of the benefits
43 provided under this section. Such schedules of contributions shall be
44 subject to adjustment from time to time by the board of trustees, as the
45 need may appear.

46 f. Upon the receipt of proper proofs of the death in service of any

1 such member while covered for the additional death benefit coverage
2 there shall be paid to such person, if living, as the member shall have
3 nominated by written designation duly executed and filed with the
4 board of trustees, otherwise to the executor or administrator of the
5 member's estate, an amount equal to one and one-half times the
6 compensation received by the member in the last year of creditable
7 service or some lesser amount as may be provided by the board of
8 trustees and elected to purchase by the member.

9 g. The contributions of a member for the additional death benefit
10 coverage shall be deducted from the member's compensation, but if
11 there is no compensation from which such contributions may be
12 deducted it shall be the obligation of the member to make such
13 contributions directly to the board of trustees or as directed by the
14 board of trustees.

15 h. Any other provision of this act notwithstanding, the
16 contributions of a member for the additional death benefit coverage
17 under this section shall not be returnable to the member or the
18 member's beneficiary in any manner, or for any reason whatsoever, nor
19 shall any contributions made for the additional death benefit coverage
20 be included in any annuity payable to any such member or beneficiary.

21 i. A member who has elected to purchase the additional death
22 benefit coverage provided by this section may file with the retirement
23 system, and alter from time to time during the member's lifetime as
24 desired, a duly attested nomination of the payee of the death benefit
25 provided under this section. Such member may also file with the
26 retirement system, and alter from time to time during the member's
27 lifetime as desired, a request directing payment of said benefit in one
28 sum or in equal annual installments over a period of years or as a life
29 annuity. Any such nomination or request shall be made in writing on
30 a form satisfactory to the retirement system and shall be effective upon
31 receipt by the retirement system. Upon the death of such member, a
32 beneficiary to whom a benefit is payable in one sum may elect to
33 receive the amount payable in equal annual installments over a period
34 of years or as a life annuity. If more than one beneficiary is nominated
35 and the member has not specified their respective interests, the
36 beneficiaries shall share equally. If any beneficiary predeceases the
37 member, the interest of that beneficiary shall terminate and shall be
38 shared equally by such of the beneficiaries as survive the member
39 unless the member has made written request to the contrary in the
40 beneficiary nomination. Any amounts due for which there is no
41 beneficiary at the death of the member or beneficiary shall be payable
42 to the estate of the member or beneficiary.

43 j. All other provisions of this section notwithstanding, this section
44 and the benefits provided under this section shall not come into effect
45 until a required percentage of the members shall have applied for the
46 additional death benefit coverage under this section. This required

1 percentage shall be fixed by the board of trustees. Applications for
2 such additional death benefit coverage shall be submitted to the
3 secretary of the board of trustees in such manner and upon such forms
4 as the board shall provide.]¹

5
6 ¹[35. The designation of beneficiary by a member or retirant for
7 death benefits shall be made in writing on a form satisfactory to the
8 retirement system, and filed with the retirement system. The member
9 or retirant may, from time to time and without the consent of the death
10 benefit beneficiary, change the beneficiary by filing written notice of
11 the change with the system on a form satisfactory to it. The new
12 designation shall be effective on the date the notice, in proper form, is
13 received by the system, and any prior designation shall thereupon
14 become void.

15 If more than one beneficiary is designated and in such designation
16 the member or retirant has failed to specify their respective interests,
17 the beneficiaries shall share equally. If any beneficiary predeceases the
18 member or retirant, the interest of such beneficiary shall terminate and
19 shall be shared equally by such of the beneficiaries as survive the
20 member or retirant, unless the member or retirant has made written
21 request to the contrary in the beneficiary designation.

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

25 Except with regard to the payment of one-fourth of final salary
26 upon the death of a retirant as provided in sections 29, 30, and 32, a
27 member may elect, by making written request to the retirement system,
28 that the whole or any part of the member's death benefits be made
29 payable to a beneficiary either as a life annuity or in equal installments
30 over a period of years specified in such election, and may alter such
31 election from time to time during the member's lifetime by again
32 making such written request. In the event of a change of beneficiary,
33 any previous arrangement by the member or retirant under this
34 paragraph shall be void. The election set forth in this paragraph shall
35 not apply or be available when the beneficiary is an estate, or
36 corporation, partnership, association, institution, trustee, or any
37 fiduciary.

38 If, at the member's or retirant's death, an amount of death benefit
39 would be payable to the beneficiary in a single sum, any election with
40 regard to such amount which was available to the member or retirant
41 immediately prior to death in accordance with the provisions of the
42 immediately preceding paragraph shall then be available to such
43 beneficiary for the benefit of such beneficiary.]¹

44
45 ¹[36. The State Treasurer is hereby authorized and permitted to
46 purchase from one or more life insurance companies, as determined by

1 the Treasurer, group life insurance coverage to provide for the death
2 benefits specified in subsection b. of section 31 and sections 29, 30,
3 and 32 of this act. The board of trustees is hereby authorized and
4 permitted to purchase from one or more life insurance companies, as
5 determined by it, a policy or policies of group life insurance to provide
6 for the benefits specified in section 34 of this act. Such group life
7 insurance coverage may be provided under one or more policies issued
8 to the State Treasurer specifically for this purpose or, in the discretion
9 of the State Treasurer, under one or more policies issued to the State
10 Treasurer which provide group life insurance coverage for members
11 of one or more other retirement systems of the State of New Jersey.
12 Whenever such policy or policies of group insurance shall be in effect,
13 the benefits payable thereunder shall be in lieu of the above mentioned
14 death benefits provided by said sections.

15 Any dividend or retrospective rate credit allowed by an insurance
16 company shall be credited in an equitable manner to the special
17 insurance funds from which premiums are paid.]]¹

18

19 ¹[37. Any life insurance company shall meet the following
20 requirements in order to qualify under section 36 of this act:

21 a. be licensed under the laws of the State to transact life and
22 accidental death insurance; and

23 b. the amount of its group life insurance in the State of New Jersey
24 shall at the time said insurance is to be purchased equal at least 1% of
25 the total amount of such group life insurance in the State in all life
26 insurance companies.]]¹

27

28 ¹[38. The State Treasurer may, in the Treasurer's discretion,
29 determine to purchase group life insurance coverage for the death
30 benefit provisions as provided in subsection b. of section 31 and
31 sections 29, 30, and 32 of this act, or may determine not to purchase
32 any group life insurance coverage for the death benefit provisions
33 heretofore mentioned. The board of trustees may, in its discretion,
34 determine to purchase group life insurance coverage for the additional
35 death benefit coverage provided in section 34 of this act or may also,
36 in its discretion, determine not to purchase any group life insurance
37 coverage for the additional death benefit coverage provided in section
38 34 of this act.]]¹

39

40 ¹[39. In the event the State Treasurer shall determine to purchase
41 group life insurance coverage for the death benefits, premiums for the
42 same shall be paid from a special fund, hereby created, called the
43 Group Insurance Premium Fund. The State Treasurer shall estimate
44 annually the amount which shall be required for premiums for such
45 benefits for the ensuing fiscal year. The State shall pay over to the
46 State Treasurer the amount so required, who shall deposit it in the

1 fund. During the period such group insurance policy or policies are in
2 effect, the State Treasurer shall in no way commingle moneys in this
3 fund with any pension fund established by this act.

4 In the event that the board of trustees shall determine to purchase
5 group life insurance coverage for the additional death benefit
6 coverage, premiums for the same shall be paid from a special fund
7 hereby created called the Contributory Group Insurance Premium
8 Fund. While such group coverage shall be in force, the contributions
9 from the compensation of the members or by other means to provide
10 such optional additional death benefits shall be accumulated in said
11 fund.]¹

12
13 ¹[40. Any such group policy or policies shall include, with respect
14 to any insurance terminating or reducing because an insured person
15 has ceased to be in active service or has retired, the conversion
16 privilege available upon termination of employment as prescribed by
17 the law relating to group life insurance, and shall also include, with
18 respect to insurance terminating because of termination of the group
19 policy resulting from a termination of all death benefits established
20 under subsection b. of section 31 and sections 29, 30, 32 and 34 of
21 this act, the conversion privilege available upon termination of the
22 group policy as prescribed by such law. Any such group policy or
23 policies shall also provide that if an insured person dies during the
24 31-day period during which that person would be entitled to exercise
25 the conversion privilege, the amount of insurance with respect to
26 which the person could have exercised the conversion privilege shall
27 be paid as a claim under the group policy.

28 If any member who has exercised the conversion privilege under the
29 group policy or policies again becomes a member of the retirement
30 system, and the individual policy obtained pursuant to the conversion
31 privilege is still in force, the member shall not again be eligible for any
32 of the death benefits provided by subsection b. of section 31 and
33 sections 29, 30, 32, and 34 of this act, unless the member furnishes
34 satisfactory evidence of insurability.

35 When benefits payable upon the death of a member following
36 retirement are determined as though the member were an active
37 member at the time of death, the death benefit payable under the group
38 policy or policies together with the amount of insurance paid under
39 any individual policy obtained under the conversion privilege, shall in
40 no event exceed the amount of insurance for which the member was
41 insured under the group policy or policies immediately prior to the
42 date the right of conversion arose.]¹

43
44 ¹[41. Benefits under such group policy or policies shall be paid by
45 the insurance company to such beneficiary, if living, as the insured
46 person shall have nominated by written designation duly executed and

1 filed with the insurance company through the policyholder, or
2 otherwise to the executors or administrators of the insured person's
3 estate. An insured person may file with the insurance company
4 through the policyholder and alter from time to time during the
5 person's lifetime, as desired, a duly attested written nomination of the
6 beneficiary for the death benefit.]¹

7
8 ¹[42. Any such group policy or policies shall provide that payment
9 of any death benefits which are payable by the insurance company may
10 be made in one sum directly to the beneficiary as hereinafter provided,
11 in equal installments over a period of years or as a life annuity or in
12 such other manner as may be made available by the insurance
13 company. An insured person may make arrangements for settlement,
14 and may alter from time to time during the person's lifetime any
15 arrangement previously made, by making written request to the
16 insurance company through the policyholder. Upon the death of an
17 insured person, a beneficiary to whom a benefit is payable in one sum
18 by the insurance company may likewise arrange for a settlement as
19 described above. If an insured person's or beneficiary's request for
20 settlement of any death benefit in equal installments over a period of
21 years or as a life annuity pursuant to the foregoing is approved by the
22 policyholder, the amount of such installment or such life annuity, as
23 the case may be, shall be determined on the basis of such applicable
24 mortality tables as shall have been adopted by the retirement system
25 and are in effect at the death of the insured person. Any arrangement
26 for payment under the group policy to a beneficiary shall be in lieu of
27 that provided by subsection b. of section 31 and sections 29, 30, 32
28 and 34 of this act.]¹

29
30 ¹[43. Notwithstanding any other provision of law, any insurance
31 company or companies issuing such policy or policies may credit the
32 policyholder, in the form of reduced premiums, with savings by said
33 company or companies in the event that no brokerage commission or
34 commissions are paid by said company or companies on the issuance
35 of such policy or policies.]¹

36
37 ¹[44. a. Any judge of compensation who is required to be a
38 member of the retirement system established by this act and who holds
39 membership in a retirement system established pursuant to any other
40 law of this State shall cease to be a member of such other retirement
41 system as of the effective date of this act. Any person becoming a
42 judge of compensation after the effective date of this act, who holds
43 membership in a retirement system established pursuant to any other
44 law of this State shall cease to be a member of such other retirement
45 system on the date the person becomes such judge.

46 b. Any such judge shall, upon request, receive a refund of the

1 person's contributions to such other retirement system, without
2 interest, less any unpaid balance of an outstanding loan, as of the
3 effective date of this act or the date on which the person becomes such
4 judge, whichever is later. If any such judge shall be eligible for
5 benefits under any such other retirement system as of the effective date
6 of this act, or if later, as of the date the person becomes such judge,
7 the person may elect to receive an annuity based on the person's own
8 contributions while continuing to serve as such judge; provided,
9 however, that if any such judge shall subsequently elect to receive
10 benefits under the provisions of this act, all rights to retirement and
11 death benefits under any other law of this State shall thereby be
12 terminated, except as hereinafter provided in subsection c.

13 c. If any such judge elects to receive benefits pursuant to the
14 provisions of this act after having received benefits from a retirement
15 system established pursuant to another law of this State, such judge
16 shall be entitled to receive the value of the judge's contributions,
17 without interest, to such other retirement system reduced by the value
18 of any benefits received from such other retirement system.

19 If any such judge dies in service before the judge could elect to
20 receive the benefits pursuant to the provisions of this act, after having
21 received benefits from a retirement system established pursuant to
22 another law of this State, the judge's eligible beneficiary shall be
23 entitled to receive the value of the member's contributions, without
24 interest, to such other retirement system reduced by the value of any
25 benefits received by the judge from such other retirement system.

26 d. After the effective date of this act, any person appointed to be
27 a judge of compensation who holds membership in a
28 State-administered retirement system may elect to transfer the service
29 for which the person has been credited in that system to the retirement
30 system. The transfer shall be accomplished by filing forms satisfactory
31 to the division within 90 days following the effective date of this act
32 or appointment as a judge of compensation, whichever is later.

33 e. Within 120 days following the filing of forms provided in
34 subsection d., the former retirement system of the judge shall remit to
35 the Workers Compensation Judges Retirement System all accumulated
36 deductions standing to the judge's credit and within 180 days following
37 the filing of the forms, the former retirement system shall remit the
38 pro rata part of the reserve fund constituting the employer's
39 obligations under the former system applicable to the member's
40 account, and the Workers Compensation Judges Retirement System
41 shall then enter the respective sums so remitted to it to the credit of
42 the judge in the annuity savings fund and to the credit of the employer
43 in the contingency reserve fund of the Workers Compensation Judges
44 Retirement System. All outstanding obligations such as loans,
45 purchases, and other arrearage shall be met by the judge as previously
46 scheduled for payment to the judge's former retirement system.

1 f. In the event that the value of the money so remitted to the
2 Workers Compensation Judges Retirement System is less than the total
3 value which is required by the retirement system to provide the
4 transferred member with credit for the public service, the liability of
5 the State shall include an amount equal to the difference between these
6 two values.]]¹

7
8 ¹[45. a. Any judge of compensation who is required to be a
9 member of the retirement system and who is receiving a retirement
10 allowance or pension from a retirement system established pursuant to
11 any other law of this State may elect to terminate the retirement status
12 in such other system by filing a proper form waiving all of the judge's
13 rights and privileges in such other system or the judge may elect to
14 continue the receipt of the retirement allowance or pension by filing a
15 proper form with the Workers Compensation Judges Retirement
16 System expressing a final and irrevocable intention not to enroll as a
17 member of the Workers Compensation Judges Retirement System.
18 Such waivers shall be filed within 90 days from the date of the judge's
19 appointment.

20 b. The judge who elects to enroll in the Workers Compensation
21 Judges Retirement System after having received benefits from a
22 retirement system established pursuant to another law of this State
23 shall be entitled to receive the value of the judge's contributions,
24 without interest, to such other retirement system reduced by the value
25 of any benefits received from such retirement system.

26 c. The judge who elects to enroll in the Workers Compensation
27 Judges Retirement System shall be eligible for all the benefits of the
28 system and receive credit for all public service which would otherwise
29 be credited to the account of any other member.

30 d. Notwithstanding filing a proper form expressing a final and
31 irrevocable intention not to enroll as a member of the Workers
32 Compensation Judges Retirement System pursuant to subsection a.,
33 the judge who elects to continue the receipt of a retirement allowance
34 or pension shall be eligible for the death benefits available to judges of
35 compensation during tenure pursuant to subsection b. of section 31 of
36 this act and shall be eligible to purchase the additional death benefit
37 coverage pursuant to section 34 of this act.]]¹

38
39 ¹[46. a. Following the effective date of this act, any judge of
40 compensation who wishes to receive credit for previous service
41 rendered in an office, position or employment of this State or of a
42 county, municipality, board of education, or public agency of this
43 State, shall file an application therefor with the board of trustees and
44 pay into the annuity savings fund the amount required by applying the
45 factor, supplied by the actuary, as being applicable to the judge's age
46 at the time of purchase, to the member's salary at that time. Such

1 purchase may be made in regular installments, equal to at least
2 one-half the full normal contribution to the retirement system over a
3 maximum period to be determined by the board of trustees.

4 In the case of any person coming under the provisions of this
5 section, full pension credit for the period of employment for which
6 arrears are being paid shall be given upon the payment of at least
7 one-half the total arrearage obligation and the completion of one year
8 of membership and the making of such arrears payments, except that
9 in the case of retirement pursuant to sections 21, 22 or 23, the total
10 membership credit for such service shall be in direct proportion as the
11 amount paid bears to the total amount of arrearage obligation.

12 b. The State shall pay to the retirement system the employer's
13 accrued liability obligation on behalf of such person purchasing prior
14 service credit.]¹

15

16 ¹[47. No public employee veteran eligible for membership in the
17 retirement system established by this act shall be eligible for, or
18 receive, retirement benefits under R.S.43:4-1, 43:4-2, and 43:4-3.]¹

19

20 ¹[48. Any member who has at least three years of service to the
21 member's credit for which the member has contributed as a member
22 may borrow from the retirement system, an amount equal to not more
23 than 50% of the amount of the member's accumulated deductions, but
24 not less than \$50; provided, that the amount so borrowed, together
25 with interest thereon, can be repaid by additional deductions from
26 compensation, not in excess of 25% of the member's compensation,
27 made at the same time compensation is paid to the member. The
28 amount so borrowed, together with interest at the rate of 4% per
29 annum on any unpaid balance thereof, shall be repaid to the retirement
30 system in equal installments by deduction from the compensation of
31 the member at the time the compensation is paid or in such lump sum
32 amount to repay the balance of the loan, but such installments shall be
33 at least equal to the member's rate of contribution to the retirement
34 system and at least sufficient to repay the amount borrowed with
35 interest thereon. Not more than two loans may be granted to any
36 member in any calendar year. Notwithstanding any other law affecting
37 the salary or compensation of any person or persons to whom this act
38 applies or shall apply, the additional deductions required to repay the
39 loan shall be made.

40 Loans shall be made to a member from the member's accumulated
41 deductions. The interest earned on such loans shall be treated in the
42 same manner as interest earned from investments of the retirement
43 system.]¹

44

45 ¹[49. In the case of any member who retires without repaying the
46 full amount so borrowed, the division shall deduct from the retirement

1 benefit payments the same monthly amount which was deducted from
2 the compensation of the member immediately preceding retirement
3 until the balance of the amount borrowed together with the interest at
4 the rate of 4% per annum is repaid. In the case of a retirant who dies
5 before the outstanding balance of the loan and interest thereon has
6 been recovered, the remaining balance shall be repaid from the
7 proceeds of any other benefits payable on the account of the retirant
8 either in the form of monthly payments due to the retirant's
9 beneficiaries or in the form of lump sum payments payable for pension
10 or group life insurance.]¹

11

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

19 Upon the death of a retirant, any unpaid benefits due shall be paid
20 in one lump sum to such person, if living, as the retirant shall have
21 nominated by written designation duly executed and filed with the
22 board of trustees, otherwise to the executor or administrator of the
23 retirant's estate. No pension, annuity or retirement allowance shall be
24 due to a retirant or beneficiary unless it constitutes a payment for an
25 entire month; provided, however, that a pension, annuity or retirement
26 allowance shall be payable for the entire month in which the retirant or
27 beneficiary dies.]¹

28

29 ¹[51. Should any change or error in the records of this retirement
30 system result in any member or person receiving from the retirement
31 system more or less than the member or person would have been
32 entitled to receive had the records been correct, the retirement system,
33 as far as practicable, shall correct such error and adjust the payments
34 in such manner that the actuarial equivalent of the benefit to which the
35 member or beneficiary was correctly entitled shall be paid.]¹

36

37 ¹[52. Any member or any beneficiary who has been or, in the
38 future, may be retired, or receive a pension, retirement allowance or
39 benefit pursuant to the provisions of this act, may, by filing written
40 request with the retirement system, waive payment of a portion of the
41 pension, retirement allowance or benefit to which the person may be
42 entitled.

43 Upon the receipt of such waiver, and until the same is withdrawn,
44 altered or revoked by a subsequent written request, similarly filed, the
45 retirement system shall pay a reduced pension, retirement allowance
46 or benefit, as shall be requested in such waiver. The member or the

1 beneficiary shall not be entitled to a refund, or credit, for such moneys
2 as shall have been waived during the period such waiver had been in
3 effect.]¹

4
5 ¹[53. If possible, whenever any retirant or beneficiary, in writing,
6 shall request the division to make deductions from a pension or
7 retirement allowance for the purpose of paying premiums for the
8 pensioner's group health insurance plan or the State Health Benefits
9 Program, the division may make such deductions and transmit the
10 sums so deducted to the companies carrying the policies or the
11 program, as the case may be. Any such written authorization may be
12 withdrawn by any retirant or beneficiary upon filing notice of such
13 withdrawal with the division.]¹

14
15 ¹[54. The right of a person to a pension, retirement allowance or
16 any benefit or right accrued or accruing to a person under the
17 provisions of this act and the moneys in the various funds created
18 under this act, shall be exempt from any State or municipal tax and
19 from levy and sale, garnishment, attachment or any other process
20 arising out of any State or federal court, and, except as hereinafter in
21 this section and as in this act otherwise provided, shall be
22 unassignable.

23 Nothing in this section shall prohibit any person insured under a
24 group insurance policy, pursuant to an arrangement among the
25 insured, the group policyholder and the insurer, from making to any
26 person other than the person's employer, a gift assignment of the rights
27 and benefits conferred on the person by any provision of such policy
28 or by law including specifically, but not by way of limitation, the right
29 to exercise the conversion privilege and the right to name a
30 beneficiary. Any such assignment, whether made before or after the
31 effective date of this act, shall entitle the insurer to deal with the
32 assignee as the owner of all rights and benefits conferred on the
33 insured under the policy in accordance with the terms of the
34 assignment.]¹

35
36 ¹[55. For the purposes of subsection b. of section 31 of this act a
37 member shall be deemed to be an active member for a period of no
38 more than 93 days while on official leave of absence without pay when
39 such leave is due to any reason other than illness, or for a period of no
40 more than two years while on an official leave of absence without pay
41 if satisfactory evidence is presented to the retirement system that such
42 leave of absence without pay is due to the member's personal illness.

43 In order for a member to be covered hereunder for the death benefit
44 coverage provided by section 34 of this act, the member shall continue
45 to make contributions for same during the period such member is on
46 official leave of absence without pay, except that when such official

1 leave of absence without pay is due to illness, no contribution shall be
2 required of the member during the period the member is deemed to be
3 an active member while on such leave of absence.

4 If a member dies within 30 days after the date of retirement or the
5 date of board approval, whichever is later, a death benefit shall be
6 payable only if the member is deemed to be an active member in
7 accordance with this section; provided, however, a member applying
8 for disability benefits shall be deemed an active member if the member
9 was covered by the death benefit provisions of this act at the
10 termination of employment, filed the application for disability
11 retirement with the retirement system within 30 days following such
12 termination of employment and dies within 30 days after the date of
13 retirement or the date of board approval, whichever is later.]¹

14
15 ¹[56. Notwithstanding subsection a. of section 44 of this act, any
16 judge of compensation who is required to be a member of the
17 retirement system and who holds membership in the Public Employees'
18 Retirement System, P.L.1954, c.84 (C.43:15A-1 et seq.), on the
19 effective date of this act may elect to continue membership in the
20 Public Employees' Retirement System by filing, within 30 days of the
21 effective date of this act, a proper form with the Workers
22 Compensation Judges Retirement System expressing a final and
23 irrevocable intention not to enroll as a member of the Workers
24 Compensation Judges Retirement System.]¹

25
26 ¹[57. Notwithstanding the provisions of section 20 of P.L.1999,
27 c.380 (C.34:15-49.3) and section 19 of this act, any judge of the
28 Division of Workers' Compensation who was 60 years of age on the
29 effective date of P.L.1999, c.380 shall be permitted to continue service
30 as a judge until attaining 10 years of service credit under the "Public
31 Employees' Retirement System Act," P.L.1954, c.84 (C.43:15A-1 et
32 seq.) or the "Workers Compensation Judges Retirement System Act,"
33 P.L. , c. (C.) (now pending before the Legislature as this bill).]¹

34
35 ¹[58. This act shall take effect immediately.]¹

36
37 ¹1. As used in this act, P.L. , c. (C.43:15A-) (now pending
38 before the Legislature as this bill):

39 "Aggregate public service" includes service as a workers
40 compensation judge and in an office, position, or employment of this
41 State or of a county, municipality, board of education, or public
42 agency of this State.

43 "Beneficiary" means any person entitled to receive any benefit
44 pursuant to the provisions of this act by reason of the death of a
45 member or retirant.

46 "Child" means a deceased member's or retirant's unmarried child

1 who is (a) under the age of 18; (b) of any age who, at the time of the
2 member's or retirant's death, is disabled because of mental retardation
3 or physical incapacity, is unable to do any substantial, gainful work
4 because of the impairment, and the impairment has lasted or can be
5 expected to last for a continuous period of not less than 12 months, as
6 affirmed by the medical board; or (c) under the age of 21 and is
7 attending school full time.

8 "Final salary" means the annual salary received by the member at
9 the time of retirement or death.

10 "Retirant" means any former member receiving a pension or
11 retirement allowance as provided by this act.

12 "Widow" means the woman to whom a member was married at least
13 four years before the date of his death and to whom he continued to
14 be married until the date of his death. The eligibility of a widow to
15 receive a survivor's benefit shall be considered terminated by the
16 marriage of the widow subsequent to the member's or the retirant's
17 death. In the event of accidental death, the four-year qualification
18 shall be waived. When used in this act, the term "widow" shall mean
19 and include "widower" as may be necessary and appropriate to the
20 particular situation.

21 "Widower" means the man to whom a member was married at least
22 four years before the date of her death and to whom she continued to
23 be married until the date of her death. The eligibility of a widower to
24 receive a survivor's benefit shall be considered terminated by the
25 marriage of the widower subsequent to the member's or the retirant's
26 death. In the event of accidental death, the four-year qualification
27 shall be waived.

28 "Workers compensation judges" means the Chief Judges,
29 administrative supervisory judges, supervisory judges and judges of
30 compensation of the Division of Workers' Compensation of the
31 Department of Labor.¹

32
33 ^{12.} Notwithstanding the provisions of any other law, workers
34 compensation judges shall be members of the Workers Compensation
35 Judges Part, established pursuant to this act, P.L. , c. (C.)(now
36 pending before the Legislature as this bill), of the Public Employees'
37 Retirement System, established pursuant P.L.1954, c.84 (C. 3:15A-1
38 et seq.), and shall be subject to the same membership and benefit
39 provisions as State employees, except as provided by P.L. , c. (now
40 pending before the Legislature as this bill). Membership in the
41 retirement system shall be a condition of employment for service as a
42 judge of compensation.¹

43
44 ^{13.} a. Notwithstanding the provisions of section 25 of P.L.1954,
45 c.84 (C.43:15A-25) to the contrary, a separate account shall be
46 established in the annuity savings fund for each workers compensation

1 judge and all contributions based on the judge's salary shall be credited
2 to this account. This account shall be separate from any other account
3 that the member may have as a result of other public service covered
4 by the retirement system.

5 b. A workers compensation judge shall contribute at a rate equal
6 to 5% of the judge's salary, which contribution shall be deducted from
7 the salary at the time or times it is paid, and which shall be exclusive
8 of any other contribution required of the member for Social Security,
9 contributory death benefits or deductions for any other purpose.

10 c. A workers compensation judge who is enrolled on the basis of
11 other public service before, during, or after service as a judge of
12 compensation judge shall contribute for such other service at the rate
13 of contribution required of other members as provided by section 25.¹
14

15 ^{14.} a. Any workers compensation judge who has reached the age
16 of 70 years shall be retired forthwith on the first day of the next
17 calendar month. Any other eligible workers compensation judge may
18 be retired on the first day of the next calendar month subsequent to the
19 filing of a written and duly executed application with the retirement
20 system. Such application shall be accompanied by a copy of the
21 member's resignation which has been filed in the office of the Director
22 of the Division of Workers' Compensation.

23 b. Notwithstanding the provisions of subsection a. of this section
24 or any other law to the contrary, a workers compensation judge who
25 is 60 years of age or older on the effective date of P.L.1999, c.380
26 shall be permitted to continue service as a judge until attaining 10
27 years of service credit under the Workers Compensation Judges Part
28 of the retirement system.¹
29

30 ^{15.} Any workers compensation judge who has served at least 10
31 years as a judge of compensation and attained the age of 70 years shall
32 be retired and shall receive the retirement allowance prescribed by this
33 section.

34 Any workers compensation judge who has served at least 15 years
35 as a judge of compensation and attained the age of 65 years, or served
36 at least 20 years as a judge of compensation and attained the age of 60
37 years, may retire and receive the retirement allowance prescribed by
38 this section. The retirement allowance shall consist of an annuity that
39 shall be the actuarial equivalent of the member's accumulated
40 deductions together with regular interest, and a pension that, when
41 added to the member's annuity, shall provide a retirement allowance
42 during the remainder of the member's life in the amount equal to
43 three-quarters of the member's final salary.¹
44

45 ^{16.} Any workers compensation judge who has:

46 a. served at least five years successively as a judge of

1 compensation and attained the age of 65 years or more while serving
2 in such office and has served at least 15 years of aggregate public
3 service, or

4 b. served at least five years successively as a judge of
5 compensation and attained the age of 60 years or more while serving
6 in such office and has served at least 20 years of aggregate public
7 service, may retire and receive the retirement allowance prescribed by
8 this section. The retirement allowance shall consist of an annuity that
9 shall be the actuarial equivalent of the member's accumulated
10 deductions together with regular interest, and a pension that, when
11 added to the member's annuity, shall provide a retirement allowance
12 during the remainder of the member's life in an amount equal to
13 one-half of the member's final salary.¹

14
15 ^{17.} Any workers compensation judge who has served at least five
16 years successively as a judge of compensation and at least 25 years of
17 aggregate public service, and who resigns or is not reappointed before
18 reaching age 60, may elect "early" retirement, provided, that such
19 election is communicated by the member to the retirement system by
20 filing a written application, duly attested, stating at what time
21 subsequent to the execution and filing thereof the member desires to
22 be retired. Any member of the retirement system, eligible to retire
23 under the provisions of this section, shall receive a retirement
24 allowance consisting of an annuity which shall be the actuarial
25 equivalent of the member's accumulated deductions together with
26 regular interest, and a pension which, when added to the member's
27 annuity, shall provide a retirement allowance during the remainder of
28 the member's life in the amount of 2% of the member's final salary
29 multiplied by the number of years of service up to 25 plus 1% of the
30 member's final salary multiplied by the number of years of service over
31 25. Such retirement allowance shall be reduced in accordance with a
32 table of actuarial equivalents recommended by the actuary and adopted
33 by the retirement system reflecting all months that the member lacks
34 of being age 60. The board of trustees shall retire the member at the
35 time specified or at such other time within one month after the date so
36 specified as the board finds advisable.¹

37
38 ^{18.} Any workers compensation judge who has served at least five
39 years successively as a judge of compensation and at least 10 years of
40 aggregate public service, and who resigns or is not reappointed before
41 reaching age 60, and not by removal for cause on charges of
42 misconduct or delinquency, may elect to receive:
43 a. all of the member's accumulated deductions standing to the
44 credit of the member's individual account in the annuity savings fund
45 as provided under subsection a. of section 41 of P.L.1954, c.84
46 (C.43:15A-41), or

1 b. a deferred retirement allowance, beginning on the first day of the
2 month following the member's attainment of age 60 and the filing of
3 an application therefore, which shall consist of an annuity derived from
4 the accumulated deductions standing to the credit of the member's
5 account in the annuity savings fund at the time of severance from
6 service together with regular interest, and a pension which, when
7 added to the annuity, shall produce a retirement allowance in the
8 amount of 2% of the member's final salary multiplied by the number of
9 years of service up to 25 plus 1% of the member's final salary
10 multiplied by the number of years of service over 25, provided that
11 such inactive member may elect to receive payments provided under
12 section 7 of this act P.L. , c. (C.)(now pending before the
13 Legislature as this bill) if the member had qualified under that section
14 at the time of leaving service, except that in order to avail the member
15 of the option, the member shall exercise such option at least one
16 month before the effective date of retirement.

17 If such inactive member shall die after attaining age 60 but before
18 filing an application for retirement benefits pursuant to this section or
19 section 7 of this act and for which benefits the member would have
20 qualified, or in the event of death after retirement, there shall be paid
21 to such member's beneficiary the death benefits prescribed by section
22 10 of this act.

23 No beneficiary shall be eligible for a pension or survivor's benefit if
24 the member who elected to receive a deferred pension shall die before
25 attaining age 60. Upon receipt of the proper proofs of death, the
26 beneficiary of a member who elects to receive a deferred retirement
27 allowance shall be paid the member's accumulated deductions at the
28 time of death together with regular interest.

29 Any member who, having elected to receive a deferred pension or
30 deferred retirement allowance, again becomes a member while under
31 the age of 60, shall thereupon be reenrolled. The member shall be
32 credited with all service as a member standing to the member's credit
33 at the time of the member's election to receive a deferred pension or
34 deferred retirement allowance.¹

35
36 ^{19.} a. Upon the receipt of proper proofs of the death in active
37 service of a workers compensation judge member of the retirement
38 system, there shall be paid to the member's widow a survivor's benefit
39 of 25% of final salary for the use of the widow, to continue during
40 widowhood, plus 10% of final salary payable to one surviving child or
41 plus 15% of final salary to two or more surviving children; if there is
42 no surviving widow or in case the widow dies or remarries, 15% of
43 final salary shall be payable to one surviving child, 20% of final salary
44 to two surviving children in equal shares and if there are three or more
45 children, 30% of final salary shall be payable to such children in equal
46 shares. If there is no surviving widow or child, 20% of final salary

1 shall be payable to one surviving parent or 30% of final salary shall be
2 payable to two surviving parents in equal shares.

3 b. In addition to the benefits payable under subsection a. of this
4 section, there shall also be paid in one sum to the member's beneficiary
5 an amount equal to one and one-half times the final salary received by
6 the member.¹

7
8 ¹10. Upon the receipt of proper proofs of the death of a workers
9 compensation judge who has retired on a pension or retirement
10 allowance based on age and service, or pursuant to section 7 of this
11 act, P.L. , c. (C.)(now pending before the Legislature as this
12 bill) there shall be paid to the member's beneficiary, an amount equal
13 to one-fourth of the final salary received by the member.

14 b. Upon the receipt of proper proofs of the death of a member who
15 has retired on a disability pension or retirement allowance, there shall
16 be paid to the member's beneficiary, an amount equal to one and
17 one-half times the final salary received by the member if such death
18 occurs before the member shall have attained 60 years of age but if
19 such death occurs thereafter, an amount equal to one-fourth of the
20 final salary received by the member.¹

21
22 ¹11. a. Any workers compensation judge who wishes to receive
23 credit for previous service as a judge of compensation or in an office,
24 position, or employment of this State or of a county, municipality,
25 board of education, or public agency of this State, shall file an
26 application therefore with the board of trustees and pay into the
27 annuity savings fund the amount required by applying the factor,
28 supplied by the actuary, as being applicable to the judge's age at the
29 time of purchase and the type of service to be purchased, to the
30 member's salary at that time. Such purchase may be made in regular
31 installments, equal to at least one-half the full normal contribution to
32 the retirement system over a maximum period to be determined by the
33 board of trustees.

34 In the case of any judge coming under the provisions of this section,
35 full pension credit for the period of employment for which arrears are
36 being paid shall be given upon the payment of at least one-half the
37 total arrearage obligation and the completion of one year of
38 membership and the making of such arrears payments, except that in
39 the case of retirement, the total membership credit for such service
40 shall be in direct proportion as the amount paid bears to the total
41 amount of arrearage obligation.

42 b. The State shall pay to the retirement system the employer's
43 accrued liability obligation on behalf of such judge purchasing prior
44 service credit.¹

45
46 ¹12. a. A workers compensation judge making contributions

1 pursuant to the provisions of this act, P.L. , c. (C.)(now
2 pending before the Legislature as this bill), and who is not eligible for
3 any benefits under the Workers Compensation Judges Part, may, upon
4 termination of such service as a judge of compensation, elect to
5 receive the return of the judges's accumulated contributions in
6 accordance with the provisions of subsection a. of section 41 of
7 P.L.1954, c. 84 (C. 43:15A-41). If a workers compensation judge is
8 a member of the retirement system on the basis of other public service,
9 no application for a return of contributions shall be approved until the
10 judge has terminated all service covered by the system and makes
11 application for a return of all contributions made to the retirement
12 system. If all or any part of a member's service as a workers
13 compensation judge is applied toward qualifying for benefits under any
14 other provision of P.L.1954, c.84 to which this act, P.L. , c. (now
15 pending before the Legislature as this bill), is a supplement, no return
16 of contributions made on the basis of the workers compensation judge
17 salary shall be approved, and in that event, service established as a
18 workers compensation judge and salary pertaining thereto shall be
19 credited in the same manner as all other service and salary covered by
20 the retirement system.

21 b. At the time of retirement, a member enrolled on the basis of
22 service as a judge of compensation as well as other public service shall
23 be permitted to elect the largest possible retirement allowance, if the
24 member qualifies for benefits under both the provisions of this act and
25 the act to which this is a supplement. An application for a return of
26 contributions made on the basis of such other public service not used
27 for the calculation of a retirement allowance or to qualify for State
28 payment for health care benefits in retirement may be approved.

29 c. A workers compensation judge electing to receive a retirement
30 allowance under the Workers Compensation Judges Part shall be
31 ineligible to receive a retirement allowance or pension for the same
32 service under any other law of the State.¹

33
34 ¹13. The actuary for the Public Employees' Retirement System
35 shall determine the unfunded accrued liability for the Workers
36 Compensation Judges Part of the retirement system and the benefits
37 provided for workers compensation judges under that part in the same
38 manner provided for the determination of the unfunded accrued
39 liability of the retirement system by section 24 of P.L. 1954, c. 84 (C.
40 43:15A-24). This unfunded accrued liability shall be amortized in the
41 manner provided by section 24 over an amortization period of 30
42 years. Accrued liability and normal contributions for workers
43 compensation judges shall be paid by transfers from the Second Injury
44 Fund as provided by subsection j of R.S 34:15-94. The Commissioner
45 of Labor may, with the authorization of and appropriation by the
46 Legislature, pay this unfunded accrued liability in a lump sum or over

1 a period of time shorter than 30 years.¹

2

3 14. This act shall take effect immediately.¹

P.L. 2001, CHAPTER 259, *approved December 6, 2001*
Assembly, No. 2804 (*First Reprint*)

1 ¹[**AN ACT** establishing the Workers Compensation Judges Retirement
2 System and supplementing Title 43 of the Revised Statutes]
3 **AN ACT** concerning retirement benefits for workers compensation
4 judges and supplementing P.L.1954, c.84 (C.43:15A-1 et seq.)¹.
5

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

8
9 ¹[1. This act shall be known and may be cited as the "Workers
10 Compensation Judges Retirement System Act."]¹
11

12 ¹[2. If any provision, section, or part of any section of this act is
13 declared to be unconstitutional, the same shall not be held to affect any
14 other provision, section, or part of any section of this act, and the
15 remainder of this act shall in no way thereby be invalidated.]¹
16

17 ¹[3. As used in this act:

18 "Accumulated deductions" means the sum of all amounts, deducted
19 from the compensation of a member or contributed by or on behalf of
20 the member, standing to the credit of the member's individual account
21 in the annuity savings fund.

22 "Annuity" means payments for life derived from the accumulated
23 deductions of a member as provided in this act.

24 "Annuity reserve" means the present value of all payments to be
25 made on account of any annuity or benefit in lieu of an annuity
26 computed on the basis of such mortality tables recommended by the
27 actuary as the board of trustees adopts with regular interest.

28 "Beneficiary" means any person entitled to receive any benefit
29 pursuant to the provisions of this act by reason of the death of a
30 member or retirant.

31 "Child" means a deceased member's or retirant's unmarried child
32 who is (a) under the age of 18; (b) of any age who, at the time of the
33 member's or retirant's death, is disabled because of mental retardation
34 or physical incapacity, is unable to do any substantial, gainful work
35 because of the impairment, and the impairment has lasted or can be
36 expected to last for a continuous period of not less than 12 months, as
37 affirmed by the medical board; or (c) under the age of 21 and is

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ **Assembly amendments adopted in accordance with Governor's recommendations November 29, 2001.**

1 attending school full time.

2 "Compensation" means the base salary, for services as a member as
3 defined in this act, which is in accordance with established salary
4 policies of the State for all employees in the same position, but shall
5 not include individual salary adjustments which are granted primarily
6 in anticipation of the member's retirement or additional remuneration
7 for performing temporary duties beyond the regular work schedule.

8 "Division" means the Division of Pensions and Benefits in the
9 Department of Treasury

10 "Final salary" means the annual salary received by the member at
11 the time of retirement or death.

12 "Fiscal year" means any year commencing with July 1 and ending
13 with June 30 next following.

14 "Medical board" means the board of physicians provided for in
15 section 7 of this act.

16 "Member" means the Chief Judge, the administrative supervisory
17 judges, the supervisory judges, and the judges of compensation of the
18 Division of Workers' Compensations of the Department of Labor
19 required to be enrolled in the retirement system established by this act.

20 "Parent" means the parent of a member who was receiving at least
21 one-half of the parent's support from the member in the 12-month
22 period immediately preceding the member's death or the accident
23 which was the direct cause of the member's death. The dependency of
24 such a parent shall be considered terminated by marriage of the parent
25 subsequent to the death of the member.

26 "Pension" means payment for life derived from contributions by the
27 State.

28 "Pension reserve" means the present value of all payments to be
29 made on account of any pension or benefit in lieu of a pension
30 computed on the basis of such mortality tables recommended by the
31 actuary as shall be adopted by the board of trustees with regular
32 interest.

33 "Regular interest" means interest as determined by the State
34 Treasurer, after consultation with the Director of the Division of
35 Investment, the Director of the Division of Pensions and Benefits, the
36 board of trustees, and the actuary of the system, which interest shall
37 bear a reasonable relationship to the percentage rate of earnings on
38 investments based on the market value of assets, but shall not exceed
39 the assumed percentage rate of increase applied to salaries plus 3%,
40 provided, however, that the board of trustees shall not set the average
41 percentage rate of increase applied to salaries below 6%.

42 "Retirant" means any former member receiving a pension or
43 retirement allowance as provided by this act.

44 "Retirement allowance" means the pension plus the annuity.

45 "Retirement system" or "system" herein refers to the Workers
46 Compensation Judges Retirement System of New Jersey, which is the

1 corporate name of the arrangement for the payment of pensions,
2 retirement allowances, and other benefits under the provisions of this
3 act including the several funds placed under the system.

4 "Service" means public service rendered for which credit is allowed
5 on the basis of contributions made by the State.

6 "Widow" means the woman to whom a member or a retirant was
7 married at least four years before the date of his death and to whom
8 he continued to be married until the date of his death. In the event of
9 accidental death, the four-year qualification shall be waived. When
10 used in this act, the term "widow" shall mean and include "widower"
11 as may be necessary and appropriate to the particular situation.

12 "Widower" means the man to whom a member or a retirant was
13 married at least four years before the date of her death and to whom
14 she continued to be married until the date of her death. In the event of
15 accidental death, the four-year qualification shall be waived.]¹

16
17 ¹[4. There is hereby established the Workers Compensation Judges
18 Retirement System of New Jersey in the Division of Pensions and
19 Benefits of the Department of the Treasury. The retirement system
20 shall have the powers and privileges of a corporation. Its purpose
21 shall be to provide pensions and other benefits for its members and
22 their beneficiaries in accordance with the provisions of this act. By
23 that name, all of its business shall be transacted, its funds invested,
24 warrants for money drawn, and payments made and all of its cash and
25 securities and other property held.]¹

26
27 ¹[5. The membership of the retirement system shall include the
28 Chief Judges, the administrative supervisory judges, the supervisory
29 judges and the judges of compensation of the Division of Workers'
30 Compensation of the Department of Labor. Membership in the
31 retirement system shall be a condition for service for the judges herein
32 listed and shall cease upon retirement, death or resignation.]¹

33
34 ¹[6. Not more than one year shall be credited in the retirement
35 system for all service in a calendar year. In computing years of
36 service, any service for which the member did not receive an annual
37 salary or compensation of at least \$500 shall be disregarded. Only
38 service as a public employee of New Jersey shall be considered.]¹

39
40 ¹[7. a. The general responsibility for the proper operation of the
41 retirement system shall be vested in the board of trustees. Subject to
42 the limitations of the law, the board shall annually establish rules and
43 regulations for the administration and transaction of its business and
44 for the control of the funds created by this act. Such rules and
45 regulations shall be consistent with those adopted by the other pension
46 funds within the division in order to permit the most economical and

1 uniform administration of all such retirement systems.

2 The membership of the board shall consist of the following:

3 (1) two trustees appointed by the Governor, with the advice and
4 consent of the Senate, who shall serve for a term of office of three
5 years and until their successors are appointed, who shall be private
6 citizens of the State of New Jersey and who are neither an officer
7 thereof nor active or retired members of the system. Of the two
8 trustees initially appointed by the Governor, one shall be appointed for
9 a term of two years and one for a term of three years.

10 (2) the State Treasurer or the Deputy State Treasurer, when
11 designated for that purpose by the State Treasurer.

12 (3) two trustees elected for a term of three years by the members
13 of the retirement system from among the active or retired members of
14 the retirement system in a manner prescribed by the board of trustees.

15 A vacancy occurring in the board of trustees shall be filled by the
16 appointment or election of a successor in the same manner as the
17 predecessor.

18 Each trustee of the board shall, upon appointment or election, take
19 an oath of office that the trustee will diligently and honestly administer
20 the board's affairs and will not knowingly violate or willfully permit to
21 be violated any provision of this act or any other law applicable to this
22 act. The oath shall be subscribed to by the trustee making it, certified
23 by the officer before whom it is taken and filed immediately in the
24 office of the Secretary of State.

25 The board shall elect annually from its membership a chairman and
26 may also elect a vice-chairman who shall have all the power and
27 authority of the chairman in the event of the death, absence or
28 disability of the chairman.

29 Each trustee shall be entitled to one vote in the board and a
30 majority of all the votes of the entire board shall be necessary for a
31 decision by the board of trustees at a meeting of the board. The board
32 shall keep a record of all its proceedings, which shall be open to public
33 inspection.

34 The trustees of the board shall serve without compensation but shall
35 be reimbursed for any necessary expenditures. No judge of
36 compensation shall suffer loss of salary or wages through serving on
37 the board.

38 b. The State Treasurer shall designate a medical board after
39 consultation with the director of the division, subject to veto by the
40 board of trustees for valid reason. The board shall be composed of
41 three physicians. The medical board shall pass upon all medical
42 examinations required under the provisions of this act, investigate all
43 essential statements and certificates by or on behalf of a member in
44 connection with an application for disability retirement, and report in
45 writing to the retirement system its conclusions and recommendations
46 upon all matters referred to it.]]¹

1 ¹[8. The actuary of the system shall be selected by the Retirement
2 Systems Actuary Selection Committee established by section 19 of
3 P.L.1992, c.125 (C.43:4B-1).

4 The actuary shall be the technical adviser to the board of trustees
5 on matters regarding the operation of the funds created by the
6 provisions of this act and shall perform such other duties as are
7 required in connection therewith.

8 The Attorney General shall be the legal adviser of the retirement
9 system, except that if the Attorney General determines that a conflict
10 of interest would affect the ability of the Attorney General to represent
11 the board on a matter affecting the retirement system, the board may
12 select and employ legal counsel to advise and represent the board on
13 that matter.

14 The chief or assistant chief of the office of secretarial services of
15 the division shall be the secretary of the board.

16 The expenses of administration of the retirement system shall be
17 paid by the State of New Jersey.]¹

18

19 ¹[9. The actuary shall recommend, and the division shall keep in
20 convenient form, such data as shall be necessary for actuarial valuation
21 of the various funds created by this act. At least once in every
22 three-year period, the actuary shall make an actuarial investigation into
23 the mortality, service, and compensation or salary experience of the
24 members and beneficiaries as defined in this act and shall make a
25 valuation of the assets and liabilities of the various funds created by
26 this act. Upon the basis of such investigation and valuation, with the
27 advice of the actuary, the board of trustees shall:

28 a. adopt for the retirement system such mortality, service and other
29 tables as shall be deemed necessary; and

30 b. certify the rates of contribution, expressed as a proportion of the
31 compensation of members, which shall be made by the State to the
32 contingent reserve fund.]¹

33

34 ¹[10. Annuity values, including actuarial equivalents under
35 optional selections, for all members of the retirement system shall be
36 determined without reference to sex, provided, however, that this act
37 shall not limit the actuary from using sex as a factor in the actuarial
38 valuation required pursuant to section 9 of this act.]¹

39

40 ¹[11. The retirement system shall publish annually a report
41 showing a valuation of the assets and liabilities of the funds created by
42 this act, certifying as to the accumulated cash and securities of the
43 funds and stating other facts pertaining to the system. The board shall
44 submit the report to the Governor and furnish a copy to the
45 Department of Labor and the Division of Workers' Compensation for
46 use of the members and the public.]¹

1 ¹[12. Under this act, there shall be established a contingent reserve
2 fund, an annuity savings fund, and a retirement reserve fund.]¹

3
4 ¹[13. The contingent reserve fund shall be the fund in which shall
5 be credited contributions made by the State.

6 a. Upon the basis of the tables recommended by the actuary which
7 the board of trustees adopts and regular interest, the actuary shall
8 compute annually the amount of the contribution, expressed as a
9 proportion of the compensation paid to all members, which if paid
10 monthly during the entire prospective service of the members, shall be
11 sufficient to provide for the pension reserves required at the time of
12 discontinuance of active service to cover all pensions to which they
13 may be entitled or which are payable on their account and to provide
14 for the amount of the death benefits payable on their account, which
15 amount is not covered by other contributions to be made as provided
16 in this section and the funds in hand available for such benefits. This
17 shall be known as the "normal contribution."

18 b. Upon the basis of the tables recommended by the actuary which
19 the board adopts and regular interest, the actuary shall compute the
20 amount of the unfunded liability as of the effective date of this act,
21 which has accrued on the basis of services rendered prior to the day
22 after that effective date by all members, including the amount of the
23 liability accrued by reason of pensions to be granted on account of
24 services rendered by members, which has not already been covered by
25 previous State contributions to the Public Employees' Retirement
26 System, P.L.1954, c.84 (C.43:15A-1 et seq.), transferred to the
27 retirement system under provision of subsection d. Using the total
28 amount of this unfunded accrued liability, the actuary shall compute
29 the amount of the flat annual payment which, if paid in each
30 succeeding fiscal year commencing with one year and one day after the
31 effective date of this act for a period of 40 years, shall provide for this
32 liability. This shall be known as the "unfunded accrued liability."

33 c. The actuary shall certify annually the aggregate amount payable
34 to the contingent reserve fund in the ensuing fiscal year, which amount
35 shall be equal to the sum of the proportion of the earnable salary of all
36 members, computed as described in subsection a., and of the State's
37 accrued liability contribution, payable in the ensuing fiscal year, as
38 described in subsection b. The State shall pay into the contingent
39 reserve fund during the ensuing fiscal year the amount so determined.

40 The cash death benefits, payable as the result of contribution by the
41 State under the provisions of this act upon the death of a member in
42 active service and after retirement, shall be paid from the contingent
43 reserve fund.

44 d. Within 90 days following the effective date of this act, the Public
45 Employees' Retirement System shall transfer that portion of the
46 actuarial reserves established in that system on the basis of

1 contributions made by the State on behalf of those judges of
2 compensation whose membership in the Public Employees' Retirement
3 System shall be terminated by provisions of this act and whose
4 retirement and death benefit coverage shall be provided by the
5 Workers Compensation Judges Retirement System. This transfer of
6 the reserves to the retirement system established by this act shall be
7 accomplished upon certification by the consulting actuary of the Public
8 Employees' Retirement System as to the amounts to be transferred.]]¹

9
10 ¹[14. a. The annuity savings fund shall be the fund in which shall
11 be credited aggregate contributions made by members or on their
12 behalf to provide for their allowances. The aggregate contributions of
13 a member withdrawn by the member or paid to the member's estate or
14 the member's designated beneficiary in the event of death as provided
15 by this act shall be paid from the annuity savings fund. Upon the
16 retirement 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 b. During each pay period, there shall be deducted from the payroll
21 of each member of the system the same percentage of compensation
22 for the position held by the member as is required to be contributed by
23 a member of the Public Employees' Retirement System pursuant to
24 section 25 of P.L.1954, c.84 (C.43:15A-25).

25 Every judge of compensation to whom this act applies shall be
26 deemed to consent and agree to any deduction from the member's
27 compensation required by this act and to all other provisions of this
28 act. Notwithstanding any other law, rule or regulation affecting the
29 salary, pay, compensation, other perquisites, or tenure of person to
30 whom this act applies, or shall apply, and notwithstanding that the
31 minimum salary, pay, or compensation or other perquisites provided
32 by law for the member shall be reduced thereby, payment, less such
33 deductions, shall be a full and complete discharge and acquittance of
34 all claims and demands for service rendered by the member during the
35 period covered by such payment.]]¹

36
37 ¹[15. The retirement reserve fund shall be the fund from which all
38 pensions and retirement allowances shall be paid.

39 Upon the retirement of the member, the member's accumulated
40 deductions together with regular interest shall be transferred to the
41 retirement reserve fund from the annuity savings fund. The reserve
42 needed to produce the pension shall be transferred from the contingent
43 reserve fund. If the pension of a member who has been retired is
44 subsequently canceled, the appropriate reserve shall be transferred to
45 the contingent reserve fund. If the retirement allowance of a member
46 who has been retired is subsequently canceled, the appropriate reserve

1 shall be transferred to the annuity savings fund and the contingent
2 reserve fund.

3 Any surplus or deficit developing in the retirement reserve fund
4 shall be adjusted from time to time by transfer to or from the
5 contingent reserve fund by appropriate action of the retirement system
6 upon the advice of the actuary.】¹

7

8 ¹[16. The board of trustees at the end of each fiscal year shall
9 allow interest on the balance of the contingent reserve fund, the
10 annuity savings fund, and the retirement reserve fund as of the
11 beginning of said fiscal year at the regular interest rate applicable
12 thereto to cover the interest creditable to the respective funds for the
13 year. The amount so allowed shall be due and payable to the funds
14 and shall be credited annually thereto by the board.】¹

15

16 ¹[17. Regular interest charges payable, the creation and
17 maintenance of reserves in the contingent reserve fund, the
18 maintenance of retirement reserves as provided for in this act, and the
19 payment of all pensions, retirement allowances, and other benefits
20 granted by the board of trustees under the provisions of this act are
21 hereby made obligations of the State. All income, interest, and
22 dividends derived from deposits and investments authorized by this
23 act shall be used for the payment of these obligations of the State.

24 Upon the basis of such actuarial determination and appraisal
25 provided for in this act, an itemized estimate of the amounts necessary
26 to be appropriated by the State to the various funds to provide for the
27 payment in full during the ensuing fiscal year of the obligations of the
28 State accruing during that year shall be submitted by the retirement
29 system to the Governor so that it may be included in the budget
30 request submitted by the Governor to the Legislature. The Legislature
31 shall make an appropriation sufficient to provide for such obligations
32 of the State. The amounts so appropriated shall be paid into the
33 contingent reserve fund.】¹

34

35 ¹[18. a. No other provisions of the law in any other statute which
36 provides wholly or partly at the expense of the State of New Jersey,
37 or any political subdivision thereof, for pensions or retirement benefits
38 for members of this system and for beneficiaries shall apply to such
39 members or beneficiaries.

40 b. Notwithstanding anything to the contrary, the retirement system
41 shall not be liable for the payment of any pensions, retirement
42 allowances or other benefits to any member or beneficiary for which
43 reserves have not been previously created from funds contributed by
44 the members or the State for such benefits.】¹

45

46 ¹[19. Any member of the retirement system who has reached the

1 age of 70 years shall be retired forthwith. Any other eligible member
2 of the retirement system may be retired on the first day of the next
3 calendar month subsequent to the filing of a written and duly executed
4 application with the retirement system. Such application shall be
5 accompanied by a copy of the member's resignation which has been
6 filed in the office of the Director of the Division of Workers'
7 Compensation.]¹

8
9 ¹[20. a. Any member who has served at least 10 years as a judge
10 of compensation and attained the age of 70 years shall be retired.

11 b. Any member who has served at least 15 years as a judge of
12 compensation and attained the age of 65 years but not the age of 70
13 years, may retire.

14 c. Any member who has served at least 20 years as a judge of
15 compensation and attained the age of 60 years but not the age of 65
16 years, may retire.

17 d. Any member of the retirement system eligible to retire under the
18 provisions of this section shall receive a retirement allowance
19 consisting of an annuity which shall be the actuarial equivalent of the
20 member's accumulated deductions together with regular interest, and
21 a pension which, when added to the member's annuity, shall provide
22 a retirement allowance during the remainder of the member's life in the
23 amount equal to three-quarters of the member's final salary.]¹

24
25 ¹[21. a. Any member who has served at least five years
26 successively as a judge of compensation and attained the age of 65
27 years or more while serving in such office and has served at least 15
28 years in the aggregate, including such service as a judge, or in an
29 office, position, or employment of this State or of a county,
30 municipality, board of education or public agency of this State, may
31 retire.

32 b. Any member who has served at least five years successively as
33 a judge of compensation and attained the age of 60 years or more
34 while serving in such office and has served at least 20 years in the
35 aggregate, including such service as a judge, or in an office, position,
36 or employment of this State or of a county, municipality, board of
37 education or public agency of this State, may retire.

38 c. Any member of the retirement system, eligible to retire under the
39 provisions of this section, shall receive a retirement allowance
40 consisting of an annuity which shall be the actuarial equivalent of the
41 member's accumulated deductions together with regular interest, and
42 a pension which, when added to the member's annuity, shall provide
43 a retirement allowance during the remainder of the member's life in an
44 amount equal to one-half of the member's final salary.]¹

45
46 ¹[22. Any member who has served at least five years successively

1 as a judge of compensation and at least 25 years in the aggregate,
2 including such service as a judge or in an office, position, or
3 employment of this State or a county, municipality, board of
4 education, or public agency of this State, and who resigns or is not
5 reappointed before reaching age 60, may elect "early" retirement,
6 provided, that such election is communicated by the member to the
7 retirement system by filing a written application, duly attested, stating
8 at what time subsequent to the execution and filing thereof the member
9 desires to be retired. Any member of the retirement system, eligible
10 to retire under the provisions of this section, shall receive a retirement
11 allowance consisting of an annuity which shall be the actuarial
12 equivalent of the member's accumulated deductions together with
13 regular interest, and a pension which, when added to the member's
14 annuity, shall provide a retirement allowance during the remainder of
15 the member's life in the amount of 2% of the member's final salary
16 multiplied by the number of years of service up to 25 plus 1% of the
17 member's final salary multiplied by the number of years of service over
18 25. Such retirement allowance shall be reduced in accordance with a
19 table of actuarial equivalents recommended by the actuary and adopted
20 by the retirement system reflecting all months that the member lacks
21 of being age 60.

22 The board of trustees shall retire the member at the time specified
23 or at such other time within one month after the date so specified as
24 the board finds advisable.]¹

25

26 ¹[23. Any member who has served at least five years successively
27 as a judge of compensation and at least 10 years in the aggregate,
28 including such service as a judge or in an office, position, or
29 employment of this State or a county, municipality, board of
30 education, or public agency of this State, and who resigns or is not
31 reappointed before reaching age 60, and not by removal for cause on
32 charges of misconduct or delinquency, may elect to receive:

33 a. All of the member's accumulated deductions standing to the
34 credit of the member's individual account in the annuity savings fund,
35 or

36 b. A deferred retirement allowance, beginning on the first day of
37 the month following the member's attainment of age 60 and the filing
38 of an application therefor, which shall consist of an annuity derived
39 from the accumulated deductions standing to the credit of the
40 member's account in the annuity savings fund at the time of severance
41 from service together with regular interest, and a pension which, when
42 added to the annuity, will produce a retirement allowance in the
43 amount of 2% of the member's final salary multiplied by the number of
44 years of service up to 25 plus 1% of the member's final salary
45 multiplied by the number of years of service over 25, provided that
46 such inactive member may elect to receive payments provided under

1 section 22 of this act if the member had qualified under that section at
2 the time of leaving service, except that in order to avail the member of
3 the option, the member shall exercise such option at least one month
4 before the effective date of retirement.

5 If such inactive member shall die after attaining age 60 but before
6 filing an application for retirement benefits pursuant to this section or
7 section 22 of this act and for which benefits the member would have
8 qualified, or in the event of death after retirement, there shall be paid
9 to such member's beneficiary the death benefits prescribed by section
10 32 of this act.

11 No beneficiary shall be eligible for a pension or survivor's benefit if
12 the member who elected to receive a deferred pension prior to the
13 effective date of this act or who elects to receive a deferred retirement
14 allowance following the effective date of this act shall die before
15 attaining age 60. Upon receipt of the proper proofs of death, the
16 beneficiary of a member who elects to receive a deferred retirement
17 allowance shall be paid the member's accumulated deductions at the
18 time of death together with regular interest.

19 Any member who, having elected to receive a deferred pension or
20 deferred retirement allowance, again becomes a member while under
21 the age of 60, shall thereupon be reenrolled. The member shall be
22 credited with all service as a member standing to the member's credit
23 at the time of the member's election to receive a deferred pension or
24 deferred retirement allowance.]¹

25

26 ¹[24. At the time of retirement, a member shall receive benefits in
27 a retirement allowance payable throughout life, or the member may, on
28 retirement, elect to receive the actuarial equivalent of the member's
29 retirement allowance, in a lesser retirement allowance payable
30 throughout life, with the provision that:

31 Option 1. If the member dies before the member has received in
32 payments the present value of the retirement allowance as it was at the
33 time of retirement, the balance shall be paid to the member's legal
34 representative or to such person as the member shall nominate by
35 written designation acknowledged and filed with the retirement
36 system, either in a lump sum or by equal payments over a period of
37 years at the option of the payee. If the member shall have designated
38 a natural person as the payee, said payee may elect to receive such
39 payments in the form of a life annuity.

40 Option 2. Upon death, the member's retirement allowance shall be
41 continued throughout the life of and paid to such person as the
42 member shall nominate by written designation duly acknowledged and
43 filed with the retirement system at the time of retirement.

44 Option 3. Upon death, one-half of the member's retirement
45 allowance shall be continued throughout the life of and paid to such
46 person as the member shall nominate by written designation duly

1 acknowledged and filed with the retirement system at the time of
2 retirement.

3 Option 4. Some other benefit or benefits shall be paid either to the
4 member or to whomever the member nominates, if such other benefit
5 or benefits, together with the lesser retirement allowance, shall be
6 certified by the actuary to be of equivalent actuarial value. In no case,
7 however, shall the lesser retirement allowance be smaller than that
8 provided under Option 2.

9 If the total amount of benefits paid to a retirant who does not elect
10 to receive benefits in the form of an optional settlement, or to the
11 retirant and the designated beneficiary in the case of a retirant who
12 does so elect, before the death of the retirant or the retirant and the
13 beneficiary is less than the deductions accumulated in the retirant's
14 account at the time of retirement, including regular interest, the
15 balance shall be paid in one lump sum to the retirant's designated
16 beneficiary or estate in the manner provided in section 50 of this act.

17 If a member dies within 30 days after the date of retirement or the
18 date of board approval, whichever is later, the member's retirement
19 allowance shall not become effective and the member shall be
20 considered an active member at the time of death. However, if the
21 member dies after the date the application for retirement was filed with
22 the system, the retirement shall become effective if:

23 a. the deceased member had designated a beneficiary under an
24 optional settlement provided by this section; and

25 b. the surviving beneficiary requests in writing that the board make
26 such a selection. Upon formal action by the board approving that
27 request, the request shall be irrevocable.

28 The board may select an Option 3 settlement, on behalf of the
29 beneficiary of a member who applied for and was eligible for
30 retirement but who died prior to the effective date of the retirement
31 allowance, if all of the above conditions, with the exception of
32 paragraph a., are met.]¹

33

34 ¹[25. Notwithstanding the provisions of this act or any other law
35 to the contrary, whenever a member of the retirement system elects a
36 retirement allowance which is payable for the life of the member only
37 and terminating at the member's death, without refund of any kind to
38 the spouse, the member shall be required, before electing that benefit,
39 to sign a form stating that the member has elected that benefit, that the
40 member understands that it is payable during the member's lifetime
41 only and that no benefits shall be payable to the member's spouse after
42 death. The division shall notify the member's spouse if the member
43 identifies the spouse on the form. Notification shall be by certified
44 mail to the spouse's address as provided on the form by the member.
45 If the member has not provided an address for the spouse on the form,
46 the division shall send the notice, by certified mail, to the spouse at the

1 member's address. The notice shall advise the spouse that the
2 retirement benefit chosen by the member is payable during the
3 member's lifetime only and that no benefits, other than any applicable
4 life insurance benefits, shall be payable to the beneficiary after the
5 member's death.]¹

6

7 ¹[26. A member who has 10 or more years of credit for New
8 Jersey service, upon the application of the head of the Department of
9 Labor or upon the member's own application or the application of one
10 acting in the member's behalf, shall be retired for ordinary disability by
11 the board of trustees if the physician or physicians designated by the
12 board shall have first made a medical examination of the member at the
13 member's residence or at any other place mutually agreed upon and
14 shall have certified to the board that the member is physically or
15 mentally incapacitated for the performance of duty and should be
16 retired.]¹

17

18 ¹[27. A member, upon the application of the head of the
19 Department of Labor or upon the member's own application or the
20 application of one acting in the member's behalf, shall be retired by the
21 board of trustees on an accidental disability allowance, if the member
22 is permanently and totally disabled as a direct result of a traumatic
23 event occurring during and as a result of the performance of regular
24 or assigned duties. A traumatic event occurring during voluntary
25 performance of regular or assigned duties at a place of employment
26 before or after required hours of employment, which is not in violation
27 of any valid work rule of the employer or otherwise prohibited by the
28 employer, shall be deemed as occurring during the performance of
29 regular or assigned duties.

30 The application to accomplish such retirement shall be filed within
31 five years of the original traumatic event, but the board of trustees may
32 consider an application filed after the five-year period if it can be
33 factually demonstrated to the satisfaction of the board of trustees that
34 the disability is due to the accident and the filing was not accomplished
35 within the five-year period due to a delayed manifestation of the
36 disability or to circumstances beyond the control of the member.

37 Permanent and total disability resulting from a cardiovascular,
38 pulmonary or musculo-skeletal condition which was not a direct result
39 of a traumatic event occurring in the performance of duty shall be
40 deemed an ordinary disability.

41 Before consideration of the application by the board of trustees, (1)
42 the physician or physicians designated by the board shall have first
43 made a medical examination of the member at the member's residence
44 or at any other place mutually agreed upon and shall have certified to
45 the board that the member is physically or mentally incapacitated for
46 the performance of duty, and should be retired, and (2) the appointing

1 authority shall have certified to the board of trustees that the member
2 is permanently and totally disabled as a direct result of a traumatic
3 event occurring during and as a result of the performance of regular
4 or assigned duties, the time and place where the duty causing the
5 disability was performed, that the disability was not the result of
6 willful negligence and that the member should be retired.]]¹

7
8 ¹[28. a. Once each year, the retirement system may, and upon the
9 member's application shall, require any disability retirant who is under
10 the age of 60 years to undergo medical examination by a physician or
11 physicians designated by the system for a period of five years
12 following the retirement in order to determine whether or not the
13 disability which existed at the time the member was retired has
14 vanished or has materially diminished. If the disability retirant is
15 engaged in an occupation, then the amount of the pension shall be
16 reduced to an amount which, when added to the amount then earned,
17 shall not exceed the amount of the salary now attributable to the
18 member's former position. If the member's earnings have changed
19 since the date of the last adjustment, then the amount of the pension
20 may be further altered, but the new pension shall not exceed the
21 amount of pension originally granted.

22 If a disability retirant, while under the age of 60 years, refuses to
23 submit to at least one medical examination in any year by a physician
24 or physicians designated by the system, the member's pension shall be
25 discontinued until withdrawal of the refusal. If the report of the
26 medical board shall show that such retirant is able to perform either
27 the former duty or other comparable duty which the member's former
28 employer is willing to assign to the member, the disability retirant shall
29 report for duty. Such a disability retirant shall not suffer any loss of
30 benefits while the retirant awaits restoration to active service. If the
31 disability retirant fails to return to duty within 10 days after being
32 ordered so to do, or within such further time as may be allowed by the
33 board of trustees for valid reason, as the case may be, the pension shall
34 be discontinued during such default.

35 b. If a disability retirant becomes employed again in a position
36 which makes the retirant eligible to be a member of the retirement
37 system, the retirement allowance and the right to any death benefit as
38 a result of former membership, shall be canceled until the member
39 again retires.

40 Such person shall be reenrolled in the retirement system and shall
41 contribute thereto at a rate based on age at the time of the prior
42 enrollment. Such person shall be treated as an active member for
43 determining disability or death benefits while in service and no benefits
44 pursuant to an optional selection with respect to the member's former
45 membership shall be paid if death shall occur during the period of such
46 reenrollment.

1 Upon subsequent retirement, the member shall receive a retirement
2 allowance based on all service as a member computed in accordance
3 with applicable provisions of this act, but the total retirement
4 allowance upon subsequent retirement shall not be a greater
5 proportion of the member's final compensation than the proportion to
6 which the member would have been entitled had the member remained
7 in service during the period of prior retirement. Any death benefit to
8 which such member shall be eligible shall be based on the member's
9 latest retirement.]¹

10
11 ¹[29. Upon retirement for ordinary disability, a member shall
12 receive a retirement allowance consisting of an annuity which shall be
13 the actuarial equivalent of the member's accumulated deductions
14 together with regular interest, and a pension, which when added to the
15 member's annuity, will provide a retirement allowance of 1 1/2 % of
16 final compensation multiplied by the member's number of years of
17 creditable service, provided that, in no event shall the allowance be
18 less than 40% of final salary, except that in no case shall the rate of
19 allowance exceed 9/10 of the retirement allowance which the member
20 would have received had the member remained in service from the date
21 of retirement to age 70.

22 Upon the receipt of proper proofs of the death of a member who
23 retired on an ordinary disability retirement allowance, there shall be
24 paid to such member's beneficiary, an amount equal to one and one-
25 half times the compensation upon which contributions by the member
26 to the annuity savings fund were based in the last year of creditable
27 service; provided, however, that if such death shall occur after the
28 member shall have attained age 60, the amount payable shall equal
29 one-fourth of such compensation.]¹

30
31 ¹[30. Upon retirement for accidental disability, a member shall
32 receive a retirement allowance consisting of an annuity which shall be
33 the actuarial equivalent of the member's accumulated deductions
34 together with regular interest, and a pension which, when added to the
35 member's annuity, will provide a retirement allowance of 2/3 of the
36 member's actual annual compensation for which contributions were
37 being made at the time of the occurrence of the accident.

38 Upon receipt of proper proofs of the death of a member who retired
39 on an accidental disability retirement allowance, there shall be paid to
40 such member's beneficiary, an amount equal to one and one-half times
41 the compensation upon which contributions by the member to the
42 annuity savings fund were based in the last year of creditable service;
43 provided, however, that if such death shall occur after the member
44 shall have attained age 60, the amount payable shall equal one-fourth
45 of such compensation.]¹

1 ¹[31. a. Upon the receipt of proper proofs of the death in active
2 service of a member of the retirement system, there shall be paid to the
3 member's widow a survivor's benefit of 25% of final salary for the use
4 of the widow, to continue during widowhood, plus 10% of final salary
5 payable to one surviving child or plus 15% of final salary to two or
6 more surviving children; if there is no surviving widow or in case the
7 widow dies or remarries, 15% of final salary shall be payable to one
8 surviving child, 20% of final salary to two surviving children in equal
9 shares and if there are three or more children, 30% of final salary shall
10 be payable to such children in equal shares. If there is no surviving
11 widow or child, 20% of final salary shall be payable to one surviving
12 parent or 30% of final salary shall be payable to two surviving parents
13 in equal shares.

14 b. In addition to the benefits payable under subsection a., there
15 shall also be paid in one sum to the member's beneficiary an amount
16 equal to one and one-half times the final salary received by the
17 member.

18 c. For the purposes of this section, final salary means the current
19 salary for the position in which the member served at the time of
20 death.

21 d. The eligibility of a widow or widower to receive a survivor's
22 benefit shall be considered terminated by the marriage of the widow or
23 widower subsequent to the member's death.]¹

24

25 ¹[32. a. Upon the receipt of proper proofs of the death of a
26 member who has retired on a pension or retirement allowance based
27 on age and service, or pursuant to section 22 of this act, there shall be
28 paid to the member's beneficiary, an amount equal to one-fourth of the
29 final salary received by the member.

30 b. Upon the receipt of proper proofs of the death of a member who
31 has retired on a disability pension or retirement allowance, there shall
32 be paid to the member's beneficiary, an amount equal to one and
33 one-half times the final salary received by the member if such death
34 occurs before the member shall have attained 60 years of age but if
35 such death occurs thereafter, an amount equal to one-fourth of the
36 final salary received by the member.]¹

37

38 ¹[33. Any other provision of this act notwithstanding, (a) no
39 beneficiary of a retirant who retired for any reason other than disability
40 shall be entitled to receive benefits pursuant to the death benefit
41 coverages provided by section 32 of this act if the retirant had less
42 than 10 years of service credit for retirement purposes at the time of
43 retirement; and (b) no member or beneficiary shall be entitled to
44 receive a monthly pension, retirement allowance or other benefit
45 payable pursuant to this act unless the amount of the pension,
46 retirement allowance or benefit would be at least \$25 per month.]¹

1 ¹[34. a. Each member of the retirement system on the effective
2 date of this act and each person who thereafter becomes a member
3 shall be eligible to purchase the additional death benefit coverage
4 hereinafter described, provided the member selects such coverage
5 within one year after that effective date or after the effective date of
6 membership, whichever date is later.

7 b. A person becoming a member of the retirement system after the
8 effective date of this act who on the date of becoming a member is less
9 than 60 years of age shall automatically be covered for such additional
10 death benefit coverage from the first day of membership on which the
11 person is actively at work and performing all regular duties at the
12 customary place of employment. Such automatic coverage shall
13 continue during the member's first year of membership, and during that
14 year the member shall make contributions as fixed by the retirement
15 system. Additional death benefit coverage for the member shall
16 continue in effect after the first year of membership on the continuance
17 of payment of the required contributions therefor.

18 c. A person becoming a member of the retirement system after the
19 effective date of this act who on the date of becoming a member is 60
20 or more years of age may, within one year from the date of
21 membership, elect to purchase such additional death benefit coverage,
22 provided that the member furnishes satisfactory evidence of
23 insurability and on the date of such election is actively at work and
24 performing all regular duties at the customary place of employment.

25 d. Notwithstanding other provisions of this section relating to the
26 amount of death benefit applicable to a member who has acquired or
27 shall acquire additional death benefit coverage, the death benefit
28 payable in the event of death occurring on or after the effective date
29 of this act and during the first year of membership shall be based upon
30 the member's annual base salary. The effective date of coverage of any
31 person electing to purchase additional death benefit coverage pursuant
32 to the provisions of subsection a. or c. shall be the first day of the
33 month immediately following the date of such election unless evidence
34 of insurability is required as a condition of such election in which event
35 the effective date of coverage shall be the first day of the month which
36 immediately follows the later of (1) the date of such election, or (2)
37 the date such evidence is determined to be satisfactory.

38 e. The board of trustees shall establish schedules of contributions
39 to be made by the members who elect to purchase the additional death
40 benefit coverage. Such contributions shall be so computed that the
41 contributions made by or on behalf of all covered members in the
42 aggregate shall be sufficient to provide for the cost of the benefits
43 provided under this section. Such schedules of contributions shall be
44 subject to adjustment from time to time by the board of trustees, as the
45 need may appear.

46 f. Upon the receipt of proper proofs of the death in service of any

1 such member while covered for the additional death benefit coverage
2 there shall be paid to such person, if living, as the member shall have
3 nominated by written designation duly executed and filed with the
4 board of trustees, otherwise to the executor or administrator of the
5 member's estate, an amount equal to one and one-half times the
6 compensation received by the member in the last year of creditable
7 service or some lesser amount as may be provided by the board of
8 trustees and elected to purchase by the member.

9 g. The contributions of a member for the additional death benefit
10 coverage shall be deducted from the member's compensation, but if
11 there is no compensation from which such contributions may be
12 deducted it shall be the obligation of the member to make such
13 contributions directly to the board of trustees or as directed by the
14 board of trustees.

15 h. Any other provision of this act notwithstanding, the
16 contributions of a member for the additional death benefit coverage
17 under this section shall not be returnable to the member or the
18 member's beneficiary in any manner, or for any reason whatsoever, nor
19 shall any contributions made for the additional death benefit coverage
20 be included in any annuity payable to any such member or beneficiary.

21 i. A member who has elected to purchase the additional death
22 benefit coverage provided by this section may file with the retirement
23 system, and alter from time to time during the member's lifetime as
24 desired, a duly attested nomination of the payee of the death benefit
25 provided under this section. Such member may also file with the
26 retirement system, and alter from time to time during the member's
27 lifetime as desired, a request directing payment of said benefit in one
28 sum or in equal annual installments over a period of years or as a life
29 annuity. Any such nomination or request shall be made in writing on
30 a form satisfactory to the retirement system and shall be effective upon
31 receipt by the retirement system. Upon the death of such member, a
32 beneficiary to whom a benefit is payable in one sum may elect to
33 receive the amount payable in equal annual installments over a period
34 of years or as a life annuity. If more than one beneficiary is nominated
35 and the member has not specified their respective interests, the
36 beneficiaries shall share equally. If any beneficiary predeceases the
37 member, the interest of that beneficiary shall terminate and shall be
38 shared equally by such of the beneficiaries as survive the member
39 unless the member has made written request to the contrary in the
40 beneficiary nomination. Any amounts due for which there is no
41 beneficiary at the death of the member or beneficiary shall be payable
42 to the estate of the member or beneficiary.

43 j. All other provisions of this section notwithstanding, this section
44 and the benefits provided under this section shall not come into effect
45 until a required percentage of the members shall have applied for the
46 additional death benefit coverage under this section. This required

1 percentage shall be fixed by the board of trustees. Applications for
2 such additional death benefit coverage shall be submitted to the
3 secretary of the board of trustees in such manner and upon such forms
4 as the board shall provide.]¹

5
6 ¹[35. The designation of beneficiary by a member or retirant for
7 death benefits shall be made in writing on a form satisfactory to the
8 retirement system, and filed with the retirement system. The member
9 or retirant may, from time to time and without the consent of the death
10 benefit beneficiary, change the beneficiary by filing written notice of
11 the change with the system on a form satisfactory to it. The new
12 designation shall be effective on the date the notice, in proper form, is
13 received by the system, and any prior designation shall thereupon
14 become void.

15 If more than one beneficiary is designated and in such designation
16 the member or retirant has failed to specify their respective interests,
17 the beneficiaries shall share equally. If any beneficiary predeceases the
18 member or retirant, the interest of such beneficiary shall terminate and
19 shall be shared equally by such of the beneficiaries as survive the
20 member or retirant, unless the member or retirant has made written
21 request to the contrary in the beneficiary designation.

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

25 Except with regard to the payment of one-fourth of final salary
26 upon the death of a retirant as provided in sections 29, 30, and 32, a
27 member may elect, by making written request to the retirement system,
28 that the whole or any part of the member's death benefits be made
29 payable to a beneficiary either as a life annuity or in equal installments
30 over a period of years specified in such election, and may alter such
31 election from time to time during the member's lifetime by again
32 making such written request. In the event of a change of beneficiary,
33 any previous arrangement by the member or retirant under this
34 paragraph shall be void. The election set forth in this paragraph shall
35 not apply or be available when the beneficiary is an estate, or
36 corporation, partnership, association, institution, trustee, or any
37 fiduciary.

38 If, at the member's or retirant's death, an amount of death benefit
39 would be payable to the beneficiary in a single sum, any election with
40 regard to such amount which was available to the member or retirant
41 immediately prior to death in accordance with the provisions of the
42 immediately preceding paragraph shall then be available to such
43 beneficiary for the benefit of such beneficiary.]¹

44
45 ¹[36. The State Treasurer is hereby authorized and permitted to
46 purchase from one or more life insurance companies, as determined by

1 the Treasurer, group life insurance coverage to provide for the death
2 benefits specified in subsection b. of section 31 and sections 29, 30,
3 and 32 of this act. The board of trustees is hereby authorized and
4 permitted to purchase from one or more life insurance companies, as
5 determined by it, a policy or policies of group life insurance to provide
6 for the benefits specified in section 34 of this act. Such group life
7 insurance coverage may be provided under one or more policies issued
8 to the State Treasurer specifically for this purpose or, in the discretion
9 of the State Treasurer, under one or more policies issued to the State
10 Treasurer which provide group life insurance coverage for members
11 of one or more other retirement systems of the State of New Jersey.
12 Whenever such policy or policies of group insurance shall be in effect,
13 the benefits payable thereunder shall be in lieu of the above mentioned
14 death benefits provided by said sections.

15 Any dividend or retrospective rate credit allowed by an insurance
16 company shall be credited in an equitable manner to the special
17 insurance funds from which premiums are paid.]¹

18

19 ¹[37. Any life insurance company shall meet the following
20 requirements in order to qualify under section 36 of this act:

21 a. be licensed under the laws of the State to transact life and
22 accidental death insurance; and

23 b. the amount of its group life insurance in the State of New Jersey
24 shall at the time said insurance is to be purchased equal at least 1% of
25 the total amount of such group life insurance in the State in all life
26 insurance companies.]¹

27

28 ¹[38. The State Treasurer may, in the Treasurer's discretion,
29 determine to purchase group life insurance coverage for the death
30 benefit provisions as provided in subsection b. of section 31 and
31 sections 29, 30, and 32 of this act, or may determine not to purchase
32 any group life insurance coverage for the death benefit provisions
33 heretofore mentioned. The board of trustees may, in its discretion,
34 determine to purchase group life insurance coverage for the additional
35 death benefit coverage provided in section 34 of this act or may also,
36 in its discretion, determine not to purchase any group life insurance
37 coverage for the additional death benefit coverage provided in section
38 34 of this act.]¹

39

40 ¹[39. In the event the State Treasurer shall determine to purchase
41 group life insurance coverage for the death benefits, premiums for the
42 same shall be paid from a special fund, hereby created, called the
43 Group Insurance Premium Fund. The State Treasurer shall estimate
44 annually the amount which shall be required for premiums for such
45 benefits for the ensuing fiscal year. The State shall pay over to the
46 State Treasurer the amount so required, who shall deposit it in the

1 fund. During the period such group insurance policy or policies are in
2 effect, the State Treasurer shall in no way commingle moneys in this
3 fund with any pension fund established by this act.

4 In the event that the board of trustees shall determine to purchase
5 group life insurance coverage for the additional death benefit
6 coverage, premiums for the same shall be paid from a special fund
7 hereby created called the Contributory Group Insurance Premium
8 Fund. While such group coverage shall be in force, the contributions
9 from the compensation of the members or by other means to provide
10 such optional additional death benefits shall be accumulated in said
11 fund.]¹

12
13 ¹[40. Any such group policy or policies shall include, with respect
14 to any insurance terminating or reducing because an insured person
15 has ceased to be in active service or has retired, the conversion
16 privilege available upon termination of employment as prescribed by
17 the law relating to group life insurance, and shall also include, with
18 respect to insurance terminating because of termination of the group
19 policy resulting from a termination of all death benefits established
20 under subsection b. of section 31 and sections 29, 30, 32 and 34 of
21 this act, the conversion privilege available upon termination of the
22 group policy as prescribed by such law. Any such group policy or
23 policies shall also provide that if an insured person dies during the
24 31-day period during which that person would be entitled to exercise
25 the conversion privilege, the amount of insurance with respect to
26 which the person could have exercised the conversion privilege shall
27 be paid as a claim under the group policy.

28 If any member who has exercised the conversion privilege under the
29 group policy or policies again becomes a member of the retirement
30 system, and the individual policy obtained pursuant to the conversion
31 privilege is still in force, the member shall not again be eligible for any
32 of the death benefits provided by subsection b. of section 31 and
33 sections 29, 30, 32, and 34 of this act, unless the member furnishes
34 satisfactory evidence of insurability.

35 When benefits payable upon the death of a member following
36 retirement are determined as though the member were an active
37 member at the time of death, the death benefit payable under the group
38 policy or policies together with the amount of insurance paid under
39 any individual policy obtained under the conversion privilege, shall in
40 no event exceed the amount of insurance for which the member was
41 insured under the group policy or policies immediately prior to the
42 date the right of conversion arose.]¹

43
44 ¹[41. Benefits under such group policy or policies shall be paid by
45 the insurance company to such beneficiary, if living, as the insured
46 person shall have nominated by written designation duly executed and

1 filed with the insurance company through the policyholder, or
2 otherwise to the executors or administrators of the insured person's
3 estate. An insured person may file with the insurance company
4 through the policyholder and alter from time to time during the
5 person's lifetime, as desired, a duly attested written nomination of the
6 beneficiary for the death benefit.]¹

7
8 ¹[42. Any such group policy or policies shall provide that payment
9 of any death benefits which are payable by the insurance company may
10 be made in one sum directly to the beneficiary as hereinafter provided,
11 in equal installments over a period of years or as a life annuity or in
12 such other manner as may be made available by the insurance
13 company. An insured person may make arrangements for settlement,
14 and may alter from time to time during the person's lifetime any
15 arrangement previously made, by making written request to the
16 insurance company through the policyholder. Upon the death of an
17 insured person, a beneficiary to whom a benefit is payable in one sum
18 by the insurance company may likewise arrange for a settlement as
19 described above. If an insured person's or beneficiary's request for
20 settlement of any death benefit in equal installments over a period of
21 years or as a life annuity pursuant to the foregoing is approved by the
22 policyholder, the amount of such installment or such life annuity, as
23 the case may be, shall be determined on the basis of such applicable
24 mortality tables as shall have been adopted by the retirement system
25 and are in effect at the death of the insured person. Any arrangement
26 for payment under the group policy to a beneficiary shall be in lieu of
27 that provided by subsection b. of section 31 and sections 29, 30, 32
28 and 34 of this act.]¹

29
30 ¹[43. Notwithstanding any other provision of law, any insurance
31 company or companies issuing such policy or policies may credit the
32 policyholder, in the form of reduced premiums, with savings by said
33 company or companies in the event that no brokerage commission or
34 commissions are paid by said company or companies on the issuance
35 of such policy or policies.]¹

36
37 ¹[44. a. Any judge of compensation who is required to be a
38 member of the retirement system established by this act and who holds
39 membership in a retirement system established pursuant to any other
40 law of this State shall cease to be a member of such other retirement
41 system as of the effective date of this act. Any person becoming a
42 judge of compensation after the effective date of this act, who holds
43 membership in a retirement system established pursuant to any other
44 law of this State shall cease to be a member of such other retirement
45 system on the date the person becomes such judge.

46 b. Any such judge shall, upon request, receive a refund of the

1 person's contributions to such other retirement system, without
2 interest, less any unpaid balance of an outstanding loan, as of the
3 effective date of this act or the date on which the person becomes such
4 judge, whichever is later. If any such judge shall be eligible for
5 benefits under any such other retirement system as of the effective date
6 of this act, or if later, as of the date the person becomes such judge,
7 the person may elect to receive an annuity based on the person's own
8 contributions while continuing to serve as such judge; provided,
9 however, that if any such judge shall subsequently elect to receive
10 benefits under the provisions of this act, all rights to retirement and
11 death benefits under any other law of this State shall thereby be
12 terminated, except as hereinafter provided in subsection c.

13 c. If any such judge elects to receive benefits pursuant to the
14 provisions of this act after having received benefits from a retirement
15 system established pursuant to another law of this State, such judge
16 shall be entitled to receive the value of the judge's contributions,
17 without interest, to such other retirement system reduced by the value
18 of any benefits received from such other retirement system.

19 If any such judge dies in service before the judge could elect to
20 receive the benefits pursuant to the provisions of this act, after having
21 received benefits from a retirement system established pursuant to
22 another law of this State, the judge's eligible beneficiary shall be
23 entitled to receive the value of the member's contributions, without
24 interest, to such other retirement system reduced by the value of any
25 benefits received by the judge from such other retirement system.

26 d. After the effective date of this act, any person appointed to be
27 a judge of compensation who holds membership in a
28 State-administered retirement system may elect to transfer the service
29 for which the person has been credited in that system to the retirement
30 system. The transfer shall be accomplished by filing forms satisfactory
31 to the division within 90 days following the effective date of this act
32 or appointment as a judge of compensation, whichever is later.

33 e. Within 120 days following the filing of forms provided in
34 subsection d., the former retirement system of the judge shall remit to
35 the Workers Compensation Judges Retirement System all accumulated
36 deductions standing to the judge's credit and within 180 days following
37 the filing of the forms, the former retirement system shall remit the
38 pro rata part of the reserve fund constituting the employer's
39 obligations under the former system applicable to the member's
40 account, and the Workers Compensation Judges Retirement System
41 shall then enter the respective sums so remitted to it to the credit of
42 the judge in the annuity savings fund and to the credit of the employer
43 in the contingency reserve fund of the Workers Compensation Judges
44 Retirement System. All outstanding obligations such as loans,
45 purchases, and other arrearage shall be met by the judge as previously
46 scheduled for payment to the judge's former retirement system.

1 f. In the event that the value of the money so remitted to the
2 Workers Compensation Judges Retirement System is less than the total
3 value which is required by the retirement system to provide the
4 transferred member with credit for the public service, the liability of
5 the State shall include an amount equal to the difference between these
6 two values.]]¹

7
8 ¹[45. a. Any judge of compensation who is required to be a
9 member of the retirement system and who is receiving a retirement
10 allowance or pension from a retirement system established pursuant to
11 any other law of this State may elect to terminate the retirement status
12 in such other system by filing a proper form waiving all of the judge's
13 rights and privileges in such other system or the judge may elect to
14 continue the receipt of the retirement allowance or pension by filing a
15 proper form with the Workers Compensation Judges Retirement
16 System expressing a final and irrevocable intention not to enroll as a
17 member of the Workers Compensation Judges Retirement System.
18 Such waivers shall be filed within 90 days from the date of the judge's
19 appointment.

20 b. The judge who elects to enroll in the Workers Compensation
21 Judges Retirement System after having received benefits from a
22 retirement system established pursuant to another law of this State
23 shall be entitled to receive the value of the judge's contributions,
24 without interest, to such other retirement system reduced by the value
25 of any benefits received from such retirement system.

26 c. The judge who elects to enroll in the Workers Compensation
27 Judges Retirement System shall be eligible for all the benefits of the
28 system and receive credit for all public service which would otherwise
29 be credited to the account of any other member.

30 d. Notwithstanding filing a proper form expressing a final and
31 irrevocable intention not to enroll as a member of the Workers
32 Compensation Judges Retirement System pursuant to subsection a.,
33 the judge who elects to continue the receipt of a retirement allowance
34 or pension shall be eligible for the death benefits available to judges of
35 compensation during tenure pursuant to subsection b. of section 31 of
36 this act and shall be eligible to purchase the additional death benefit
37 coverage pursuant to section 34 of this act.]]¹

38
39 ¹[46. a. Following the effective date of this act, any judge of
40 compensation who wishes to receive credit for previous service
41 rendered in an office, position or employment of this State or of a
42 county, municipality, board of education, or public agency of this
43 State, shall file an application therefor with the board of trustees and
44 pay into the annuity savings fund the amount required by applying the
45 factor, supplied by the actuary, as being applicable to the judge's age
46 at the time of purchase, to the member's salary at that time. Such

1 purchase may be made in regular installments, equal to at least
2 one-half the full normal contribution to the retirement system over a
3 maximum period to be determined by the board of trustees.

4 In the case of any person coming under the provisions of this
5 section, full pension credit for the period of employment for which
6 arrears are being paid shall be given upon the payment of at least
7 one-half the total arrearage obligation and the completion of one year
8 of membership and the making of such arrears payments, except that
9 in the case of retirement pursuant to sections 21, 22 or 23, the total
10 membership credit for such service shall be in direct proportion as the
11 amount paid bears to the total amount of arrearage obligation.

12 b. The State shall pay to the retirement system the employer's
13 accrued liability obligation on behalf of such person purchasing prior
14 service credit.]¹

15

16 ¹[47. No public employee veteran eligible for membership in the
17 retirement system established by this act shall be eligible for, or
18 receive, retirement benefits under R.S.43:4-1, 43:4-2, and 43:4-3.]¹

19

20 ¹[48. Any member who has at least three years of service to the
21 member's credit for which the member has contributed as a member
22 may borrow from the retirement system, an amount equal to not more
23 than 50% of the amount of the member's accumulated deductions, but
24 not less than \$50; provided, that the amount so borrowed, together
25 with interest thereon, can be repaid by additional deductions from
26 compensation, not in excess of 25% of the member's compensation,
27 made at the same time compensation is paid to the member. The
28 amount so borrowed, together with interest at the rate of 4% per
29 annum on any unpaid balance thereof, shall be repaid to the retirement
30 system in equal installments by deduction from the compensation of
31 the member at the time the compensation is paid or in such lump sum
32 amount to repay the balance of the loan, but such installments shall be
33 at least equal to the member's rate of contribution to the retirement
34 system and at least sufficient to repay the amount borrowed with
35 interest thereon. Not more than two loans may be granted to any
36 member in any calendar year. Notwithstanding any other law affecting
37 the salary or compensation of any person or persons to whom this act
38 applies or shall apply, the additional deductions required to repay the
39 loan shall be made.

40 Loans shall be made to a member from the member's accumulated
41 deductions. The interest earned on such loans shall be treated in the
42 same manner as interest earned from investments of the retirement
43 system.]¹

44

45 ¹[49. In the case of any member who retires without repaying the
46 full amount so borrowed, the division shall deduct from the retirement

1 benefit payments the same monthly amount which was deducted from
2 the compensation of the member immediately preceding retirement
3 until the balance of the amount borrowed together with the interest at
4 the rate of 4% per annum is repaid. In the case of a retirant who dies
5 before the outstanding balance of the loan and interest thereon has
6 been recovered, the remaining balance shall be repaid from the
7 proceeds of any other benefits payable on the account of the retirant
8 either in the form of monthly payments due to the retirant's
9 beneficiaries or in the form of lump sum payments payable for pension
10 or group life insurance.]¹

11

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

19 Upon the death of a retirant, any unpaid benefits due shall be paid
20 in one lump sum to such person, if living, as the retirant shall have
21 nominated by written designation duly executed and filed with the
22 board of trustees, otherwise to the executor or administrator of the
23 retirant's estate. No pension, annuity or retirement allowance shall be
24 due to a retirant or beneficiary unless it constitutes a payment for an
25 entire month; provided, however, that a pension, annuity or retirement
26 allowance shall be payable for the entire month in which the retirant or
27 beneficiary dies.]¹

28

29 ¹[51. Should any change or error in the records of this retirement
30 system result in any member or person receiving from the retirement
31 system more or less than the member or person would have been
32 entitled to receive had the records been correct, the retirement system,
33 as far as practicable, shall correct such error and adjust the payments
34 in such manner that the actuarial equivalent of the benefit to which the
35 member or beneficiary was correctly entitled shall be paid.]¹

36

37 ¹[52. Any member or any beneficiary who has been or, in the
38 future, may be retired, or receive a pension, retirement allowance or
39 benefit pursuant to the provisions of this act, may, by filing written
40 request with the retirement system, waive payment of a portion of the
41 pension, retirement allowance or benefit to which the person may be
42 entitled.

43 Upon the receipt of such waiver, and until the same is withdrawn,
44 altered or revoked by a subsequent written request, similarly filed, the
45 retirement system shall pay a reduced pension, retirement allowance
46 or benefit, as shall be requested in such waiver. The member or the

1 beneficiary shall not be entitled to a refund, or credit, for such moneys
2 as shall have been waived during the period such waiver had been in
3 effect.]¹

4
5 ¹[53. If possible, whenever any retirant or beneficiary, in writing,
6 shall request the division to make deductions from a pension or
7 retirement allowance for the purpose of paying premiums for the
8 pensioner's group health insurance plan or the State Health Benefits
9 Program, the division may make such deductions and transmit the
10 sums so deducted to the companies carrying the policies or the
11 program, as the case may be. Any such written authorization may be
12 withdrawn by any retirant or beneficiary upon filing notice of such
13 withdrawal with the division.]¹

14
15 ¹[54. The right of a person to a pension, retirement allowance or
16 any benefit or right accrued or accruing to a person under the
17 provisions of this act and the moneys in the various funds created
18 under this act, shall be exempt from any State or municipal tax and
19 from levy and sale, garnishment, attachment or any other process
20 arising out of any State or federal court, and, except as hereinafter in
21 this section and as in this act otherwise provided, shall be
22 unassignable.

23 Nothing in this section shall prohibit any person insured under a
24 group insurance policy, pursuant to an arrangement among the
25 insured, the group policyholder and the insurer, from making to any
26 person other than the person's employer, a gift assignment of the rights
27 and benefits conferred on the person by any provision of such policy
28 or by law including specifically, but not by way of limitation, the right
29 to exercise the conversion privilege and the right to name a
30 beneficiary. Any such assignment, whether made before or after the
31 effective date of this act, shall entitle the insurer to deal with the
32 assignee as the owner of all rights and benefits conferred on the
33 insured under the policy in accordance with the terms of the
34 assignment.]¹

35
36 ¹[55. For the purposes of subsection b. of section 31 of this act a
37 member shall be deemed to be an active member for a period of no
38 more than 93 days while on official leave of absence without pay when
39 such leave is due to any reason other than illness, or for a period of no
40 more than two years while on an official leave of absence without pay
41 if satisfactory evidence is presented to the retirement system that such
42 leave of absence without pay is due to the member's personal illness.

43 In order for a member to be covered hereunder for the death benefit
44 coverage provided by section 34 of this act, the member shall continue
45 to make contributions for same during the period such member is on
46 official leave of absence without pay, except that when such official

1 leave of absence without pay is due to illness, no contribution shall be
2 required of the member during the period the member is deemed to be
3 an active member while on such leave of absence.

4 If a member dies within 30 days after the date of retirement or the
5 date of board approval, whichever is later, a death benefit shall be
6 payable only if the member is deemed to be an active member in
7 accordance with this section; provided, however, a member applying
8 for disability benefits shall be deemed an active member if the member
9 was covered by the death benefit provisions of this act at the
10 termination of employment, filed the application for disability
11 retirement with the retirement system within 30 days following such
12 termination of employment and dies within 30 days after the date of
13 retirement or the date of board approval, whichever is later.]¹

14
15 ¹[56. Notwithstanding subsection a. of section 44 of this act, any
16 judge of compensation who is required to be a member of the
17 retirement system and who holds membership in the Public Employees'
18 Retirement System, P.L.1954, c.84 (C.43:15A-1 et seq.), on the
19 effective date of this act may elect to continue membership in the
20 Public Employees' Retirement System by filing, within 30 days of the
21 effective date of this act, a proper form with the Workers
22 Compensation Judges Retirement System expressing a final and
23 irrevocable intention not to enroll as a member of the Workers
24 Compensation Judges Retirement System.]¹

25
26 ¹[57. Notwithstanding the provisions of section 20 of P.L.1999,
27 c.380 (C.34:15-49.3) and section 19 of this act, any judge of the
28 Division of Workers' Compensation who was 60 years of age on the
29 effective date of P.L.1999, c.380 shall be permitted to continue service
30 as a judge until attaining 10 years of service credit under the "Public
31 Employees' Retirement System Act," P.L.1954, c.84 (C.43:15A-1 et
32 seq.) or the "Workers Compensation Judges Retirement System Act,"
33 P.L. , c. (C.) (now pending before the Legislature as this bill).]¹

34
35 ¹[58. This act shall take effect immediately.]¹

36
37 ¹1. As used in this act, P.L. , c. (C.43:15A-) (now pending
38 before the Legislature as this bill):

39 "Aggregate public service" includes service as a workers
40 compensation judge and in an office, position, or employment of this
41 State or of a county, municipality, board of education, or public
42 agency of this State.

43 "Beneficiary" means any person entitled to receive any benefit
44 pursuant to the provisions of this act by reason of the death of a
45 member or retirant.

46 "Child" means a deceased member's or retirant's unmarried child

1 who is (a) under the age of 18; (b) of any age who, at the time of the
2 member's or retirant's death, is disabled because of mental retardation
3 or physical incapacity, is unable to do any substantial, gainful work
4 because of the impairment, and the impairment has lasted or can be
5 expected to last for a continuous period of not less than 12 months, as
6 affirmed by the medical board; or (c) under the age of 21 and is
7 attending school full time.

8 "Final salary" means the annual salary received by the member at
9 the time of retirement or death.

10 "Retirant" means any former member receiving a pension or
11 retirement allowance as provided by this act.

12 "Widow" means the woman to whom a member was married at least
13 four years before the date of his death and to whom he continued to
14 be married until the date of his death. The eligibility of a widow to
15 receive a survivor's benefit shall be considered terminated by the
16 marriage of the widow subsequent to the member's or the retirant's
17 death. In the event of accidental death, the four-year qualification
18 shall be waived. When used in this act, the term "widow" shall mean
19 and include "widower" as may be necessary and appropriate to the
20 particular situation.

21 "Widower" means the man to whom a member was married at least
22 four years before the date of her death and to whom she continued to
23 be married until the date of her death. The eligibility of a widower to
24 receive a survivor's benefit shall be considered terminated by the
25 marriage of the widower subsequent to the member's or the retirant's
26 death. In the event of accidental death, the four-year qualification
27 shall be waived.

28 "Workers compensation judges" means the Chief Judges,
29 administrative supervisory judges, supervisory judges and judges of
30 compensation of the Division of Workers' Compensation of the
31 Department of Labor.¹

32
33 ^{12.} Notwithstanding the provisions of any other law, workers
34 compensation judges shall be members of the Workers Compensation
35 Judges Part, established pursuant to this act, P.L. , c. (C.)(now
36 pending before the Legislature as this bill), of the Public Employees'
37 Retirement System, established pursuant P.L.1954, c.84 (C. 3:15A-1
38 et seq.), and shall be subject to the same membership and benefit
39 provisions as State employees, except as provided by P.L. , c. (now
40 pending before the Legislature as this bill). Membership in the
41 retirement system shall be a condition of employment for service as a
42 judge of compensation.¹

43
44 ^{13.} a. Notwithstanding the provisions of section 25 of P.L.1954,
45 c.84 (C.43:15A-25) to the contrary, a separate account shall be
46 established in the annuity savings fund for each workers compensation

1 judge and all contributions based on the judge's salary shall be credited
2 to this account. This account shall be separate from any other account
3 that the member may have as a result of other public service covered
4 by the retirement system.

5 b. A workers compensation judge shall contribute at a rate equal
6 to 5% of the judge's salary, which contribution shall be deducted from
7 the salary at the time or times it is paid, and which shall be exclusive
8 of any other contribution required of the member for Social Security,
9 contributory death benefits or deductions for any other purpose.

10 c. A workers compensation judge who is enrolled on the basis of
11 other public service before, during, or after service as a judge of
12 compensation judge shall contribute for such other service at the rate
13 of contribution required of other members as provided by section 25.¹
14

15 ^{14.} a. Any workers compensation judge who has reached the age
16 of 70 years shall be retired forthwith on the first day of the next
17 calendar month. Any other eligible workers compensation judge may
18 be retired on the first day of the next calendar month subsequent to the
19 filing of a written and duly executed application with the retirement
20 system. Such application shall be accompanied by a copy of the
21 member's resignation which has been filed in the office of the Director
22 of the Division of Workers' Compensation.

23 b. Notwithstanding the provisions of subsection a. of this section
24 or any other law to the contrary, a workers compensation judge who
25 is 60 years of age or older on the effective date of P.L.1999, c.380
26 shall be permitted to continue service as a judge until attaining 10
27 years of service credit under the Workers Compensation Judges Part
28 of the retirement system.¹
29

30 ^{15.} Any workers compensation judge who has served at least 10
31 years as a judge of compensation and attained the age of 70 years shall
32 be retired and shall receive the retirement allowance prescribed by this
33 section.

34 Any workers compensation judge who has served at least 15 years
35 as a judge of compensation and attained the age of 65 years, or served
36 at least 20 years as a judge of compensation and attained the age of 60
37 years, may retire and receive the retirement allowance prescribed by
38 this section. The retirement allowance shall consist of an annuity that
39 shall be the actuarial equivalent of the member's accumulated
40 deductions together with regular interest, and a pension that, when
41 added to the member's annuity, shall provide a retirement allowance
42 during the remainder of the member's life in the amount equal to
43 three-quarters of the member's final salary.¹
44

45 ^{16.} Any workers compensation judge who has:

46 a. served at least five years successively as a judge of

1 compensation and attained the age of 65 years or more while serving
2 in such office and has served at least 15 years of aggregate public
3 service, or

4 b. served at least five years successively as a judge of
5 compensation and attained the age of 60 years or more while serving
6 in such office and has served at least 20 years of aggregate public
7 service, may retire and receive the retirement allowance prescribed by
8 this section. The retirement allowance shall consist of an annuity that
9 shall be the actuarial equivalent of the member's accumulated
10 deductions together with regular interest, and a pension that, when
11 added to the member's annuity, shall provide a retirement allowance
12 during the remainder of the member's life in an amount equal to
13 one-half of the member's final salary.¹

14

15 ^{17.} Any workers compensation judge who has served at least five
16 years successively as a judge of compensation and at least 25 years of
17 aggregate public service, and who resigns or is not reappointed before
18 reaching age 60, may elect "early" retirement, provided, that such
19 election is communicated by the member to the retirement system by
20 filing a written application, duly attested, stating at what time
21 subsequent to the execution and filing thereof the member desires to
22 be retired. Any member of the retirement system, eligible to retire
23 under the provisions of this section, shall receive a retirement
24 allowance consisting of an annuity which shall be the actuarial
25 equivalent of the member's accumulated deductions together with
26 regular interest, and a pension which, when added to the member's
27 annuity, shall provide a retirement allowance during the remainder of
28 the member's life in the amount of 2% of the member's final salary
29 multiplied by the number of years of service up to 25 plus 1% of the
30 member's final salary multiplied by the number of years of service over
31 25. Such retirement allowance shall be reduced in accordance with a
32 table of actuarial equivalents recommended by the actuary and adopted
33 by the retirement system reflecting all months that the member lacks
34 of being age 60. The board of trustees shall retire the member at the
35 time specified or at such other time within one month after the date so
36 specified as the board finds advisable.¹

37

38 ^{18.} Any workers compensation judge who has served at least five
39 years successively as a judge of compensation and at least 10 years of
40 aggregate public service, and who resigns or is not reappointed before
41 reaching age 60, and not by removal for cause on charges of
42 misconduct or delinquency, may elect to receive:

43 a. all of the member's accumulated deductions standing to the
44 credit of the member's individual account in the annuity savings fund
45 as provided under subsection a. of section 41 of P.L.1954, c.84
46 (C.43:15A-41), or

1 b. a deferred retirement allowance, beginning on the first day of the
2 month following the member's attainment of age 60 and the filing of
3 an application therefore, which shall consist of an annuity derived from
4 the accumulated deductions standing to the credit of the member's
5 account in the annuity savings fund at the time of severance from
6 service together with regular interest, and a pension which, when
7 added to the annuity, shall produce a retirement allowance in the
8 amount of 2% of the member's final salary multiplied by the number of
9 years of service up to 25 plus 1% of the member's final salary
10 multiplied by the number of years of service over 25, provided that
11 such inactive member may elect to receive payments provided under
12 section 7 of this act P.L. , c. (C.)(now pending before the
13 Legislature as this bill) if the member had qualified under that section
14 at the time of leaving service, except that in order to avail the member
15 of the option, the member shall exercise such option at least one
16 month before the effective date of retirement.

17 If such inactive member shall die after attaining age 60 but before
18 filing an application for retirement benefits pursuant to this section or
19 section 7 of this act and for which benefits the member would have
20 qualified, or in the event of death after retirement, there shall be paid
21 to such member's beneficiary the death benefits prescribed by section
22 10 of this act.

23 No beneficiary shall be eligible for a pension or survivor's benefit if
24 the member who elected to receive a deferred pension shall die before
25 attaining age 60. Upon receipt of the proper proofs of death, the
26 beneficiary of a member who elects to receive a deferred retirement
27 allowance shall be paid the member's accumulated deductions at the
28 time of death together with regular interest.

29 Any member who, having elected to receive a deferred pension or
30 deferred retirement allowance, again becomes a member while under
31 the age of 60, shall thereupon be reenrolled. The member shall be
32 credited with all service as a member standing to the member's credit
33 at the time of the member's election to receive a deferred pension or
34 deferred retirement allowance.¹

35
36 ^{19.} a. Upon the receipt of proper proofs of the death in active
37 service of a workers compensation judge member of the retirement
38 system, there shall be paid to the member's widow a survivor's benefit
39 of 25% of final salary for the use of the widow, to continue during
40 widowhood, plus 10% of final salary payable to one surviving child or
41 plus 15% of final salary to two or more surviving children; if there is
42 no surviving widow or in case the widow dies or remarries, 15% of
43 final salary shall be payable to one surviving child, 20% of final salary
44 to two surviving children in equal shares and if there are three or more
45 children, 30% of final salary shall be payable to such children in equal
46 shares. If there is no surviving widow or child, 20% of final salary

1 shall be payable to one surviving parent or 30% of final salary shall be
2 payable to two surviving parents in equal shares.

3 b. In addition to the benefits payable under subsection a. of this
4 section, there shall also be paid in one sum to the member's beneficiary
5 an amount equal to one and one-half times the final salary received by
6 the member.¹

7
8 ¹10. Upon the receipt of proper proofs of the death of a workers
9 compensation judge who has retired on a pension or retirement
10 allowance based on age and service, or pursuant to section 7 of this
11 act, P.L. , c. (C.)(now pending before the Legislature as this
12 bill) there shall be paid to the member's beneficiary, an amount equal
13 to one-fourth of the final salary received by the member.

14 b. Upon the receipt of proper proofs of the death of a member who
15 has retired on a disability pension or retirement allowance, there shall
16 be paid to the member's beneficiary, an amount equal to one and
17 one-half times the final salary received by the member if such death
18 occurs before the member shall have attained 60 years of age but if
19 such death occurs thereafter, an amount equal to one-fourth of the
20 final salary received by the member.¹

21
22 ¹11. a. Any workers compensation judge who wishes to receive
23 credit for previous service as a judge of compensation or in an office,
24 position, or employment of this State or of a county, municipality,
25 board of education, or public agency of this State, shall file an
26 application therefore with the board of trustees and pay into the
27 annuity savings fund the amount required by applying the factor,
28 supplied by the actuary, as being applicable to the judge's age at the
29 time of purchase and the type of service to be purchased, to the
30 member's salary at that time. Such purchase may be made in regular
31 installments, equal to at least one-half the full normal contribution to
32 the retirement system over a maximum period to be determined by the
33 board of trustees.

34 In the case of any judge coming under the provisions of this section,
35 full pension credit for the period of employment for which arrears are
36 being paid shall be given upon the payment of at least one-half the
37 total arrearage obligation and the completion of one year of
38 membership and the making of such arrears payments, except that in
39 the case of retirement, the total membership credit for such service
40 shall be in direct proportion as the amount paid bears to the total
41 amount of arrearage obligation.

42 b. The State shall pay to the retirement system the employer's
43 accrued liability obligation on behalf of such judge purchasing prior
44 service credit.¹

45
46 ¹12. a. A workers compensation judge making contributions

1 pursuant to the provisions of this act, P.L. , c. (C.)(now
2 pending before the Legislature as this bill), and who is not eligible for
3 any benefits under the Workers Compensation Judges Part, may, upon
4 termination of such service as a judge of compensation, elect to
5 receive the return of the judges's accumulated contributions in
6 accordance with the provisions of subsection a. of section 41 of
7 P.L.1954, c. 84 (C. 43:15A-41). If a workers compensation judge is
8 a member of the retirement system on the basis of other public service,
9 no application for a return of contributions shall be approved until the
10 judge has terminated all service covered by the system and makes
11 application for a return of all contributions made to the retirement
12 system. If all or any part of a member's service as a workers
13 compensation judge is applied toward qualifying for benefits under any
14 other provision of P.L.1954, c.84 to which this act, P.L. , c. (now
15 pending before the Legislature as this bill), is a supplement, no return
16 of contributions made on the basis of the workers compensation judge
17 salary shall be approved, and in that event, service established as a
18 workers compensation judge and salary pertaining thereto shall be
19 credited in the same manner as all other service and salary covered by
20 the retirement system.

21 b. At the time of retirement, a member enrolled on the basis of
22 service as a judge of compensation as well as other public service shall
23 be permitted to elect the largest possible retirement allowance, if the
24 member qualifies for benefits under both the provisions of this act and
25 the act to which this is a supplement. An application for a return of
26 contributions made on the basis of such other public service not used
27 for the calculation of a retirement allowance or to qualify for State
28 payment for health care benefits in retirement may be approved.

29 c. A workers compensation judge electing to receive a retirement
30 allowance under the Workers Compensation Judges Part shall be
31 ineligible to receive a retirement allowance or pension for the same
32 service under any other law of the State.¹

33
34 ¹13. The actuary for the Public Employees' Retirement System
35 shall determine the unfunded accrued liability for the Workers
36 Compensation Judges Part of the retirement system and the benefits
37 provided for workers compensation judges under that part in the same
38 manner provided for the determination of the unfunded accrued
39 liability of the retirement system by section 24 of P.L. 1954, c. 84 (C.
40 43:15A-24). This unfunded accrued liability shall be amortized in the
41 manner provided by section 24 over an amortization period of 30
42 years. Accrued liability and normal contributions for workers
43 compensation judges shall be paid by transfers from the Second Injury
44 Fund as provided by subsection j of R.S 34:15-94. The Commissioner
45 of Labor may, with the authorization of and appropriation by the
46 Legislature, pay this unfunded accrued liability in a lump sum or over

1 a period of time shorter than 30 years.¹

2

3 ¹14. This act shall take effect immediately.¹

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6

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8 Provides certain retirement benefits for workers compensation judges.

CHAPTER 259

AN ACT concerning retirement benefits for workers compensation judges and supplementing P.L.1954, c.84 (C.43:15A-1 et seq.).

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

C.43:15A-142 Definitions relative to retirement benefits for workers compensation judges.

1. As used in this act, P.L.2001, c.259 (C.43:15A-142 et seq.):

“Aggregate public service” includes service as a workers compensation judge and in an office, position, or employment of this State or of a county, municipality, board of education, or public agency of this State.

"Beneficiary" means any person entitled to receive any benefit pursuant to the provisions of this act by reason of the death of a member or retirant.

"Child" means a deceased member's or retirant's unmarried child who is (a) under the age of 18; (b) of any age who, at the time of the member's or retirant's death, is disabled because of mental retardation or physical incapacity, is unable to do any substantial, gainful work because of the impairment, and the impairment has lasted or can be expected to last for a continuous period of not less than 12 months, as affirmed by the medical board; or (c) under the age of 21 and is attending school full time.

"Final salary" means the annual salary received by the member at the time of retirement or death.

"Retirant" means any former member receiving a pension or retirement allowance as provided by this act.

"Widow" means the woman to whom a member was married at least four years before the date of his death and to whom he continued to be married until the date of his death. The eligibility of a widow to receive a survivor's benefit shall be considered terminated by the marriage of the widow subsequent to the member's or the retirant's death. In the event of accidental death, the four-year qualification shall be waived. When used in this act, the term "widow" shall mean and include "widower" as may be necessary and appropriate to the particular situation.

"Widower" means the man to whom a member was married at least four years before the date of her death and to whom she continued to be married until the date of her death. The eligibility of a widower to receive a survivor's benefit shall be considered terminated by the marriage of the widower subsequent to the member's or the retirant's death. In the event of accidental death, the four-year qualification shall be waived.

“Workers compensation judges” means the Chief Judges, administrative supervisory judges, supervisory judges and judges of compensation of the Division of Workers' Compensation of the Department of Labor.

C.43:15A-143 Membership in Workers Compensation Judges Part.

2. Notwithstanding the provisions of any other law, workers compensation judges shall be members of the Workers Compensation Judges Part, established pursuant to this act, P.L.2001, c.259 (C.43:15A-142 et seq.), of the Public Employees' Retirement System, established pursuant to P.L.1954, c.84 (C.43:15A-1 et seq.), and shall be subject to the same membership and benefit provisions as State employees, except as provided by P.L.2001, c.259. Membership in the retirement system shall be a condition of employment for service as a judge of compensation.

C.43:15A-144 Separate accounts contributions.

3. a. Notwithstanding the provisions of section 25 of P.L.1954, c.84 (C.43:15A-25) to the contrary, a separate account shall be established in the annuity savings fund for each workers compensation judge and all contributions based on the judge's salary shall be credited to this account. This account shall be separate from any other account that the member may have as a result of other public service covered by the retirement system.

b. A workers compensation judge shall contribute at a rate equal to 5% of the judge's salary, which contribution shall be deducted from the salary at the time or times it is paid, and which shall be exclusive of any other contribution required of the member for Social Security, contributory death benefits or deductions for any other purpose.

c. A workers compensation judge who is enrolled on the basis of other public service

before, during, or after service as a judge of compensation shall contribute for such other service at the rate of contribution required of other members as provided by section 25.

C.43:15A-145 Date of retirement; continued service permitted, certain circumstances.

4. a. Any workers compensation judge who has reached the age of 70 years shall be retired forthwith on the first day of the next calendar month. Any other eligible workers compensation judge may be retired on the first day of the next calendar month subsequent to the filing of a written and duly executed application with the retirement system. Such application shall be accompanied by a copy of the member's resignation which has been filed in the office of the Director of the Division of Workers' Compensation.

b. Notwithstanding the provisions of subsection a. of this section or any other law to the contrary, a workers compensation judge who is 60 years of age or older on the effective date of P.L.1999, c.380 shall be permitted to continue service as a judge until attaining 10 years of service credit under the Workers Compensation Judges Part of the retirement system.

C.43:15A-146 Conditions for receipt of retirement allowance of three quarters of final salary.

5. Any workers compensation judge who has served at least 10 years as a judge of compensation and attained the age of 70 years shall be retired and shall receive the retirement allowance prescribed by this section.

Any workers compensation judge who has served at least 15 years as a judge of compensation and attained the age of 65 years, or served at least 20 years as a judge of compensation and attained the age of 60 years, may retire and receive the retirement allowance prescribed by this section. The retirement allowance shall consist of an annuity that shall be the actuarial equivalent of the member's accumulated deductions together with regular interest, and a pension that, when added to the member's annuity, shall provide a retirement allowance during the remainder of the member's life in the amount equal to three-quarters of the member's final salary.

C.43:15A-147 Conditions for receipt of one-half of final salary.

6. Any workers compensation judge who has:

a. served at least five years successively as a judge of compensation and attained the age of 65 years or more while serving in such office and has served at least 15 years of aggregate public service, or

b. served at least five years successively as a judge of compensation and attained the age of 60 years or more while serving in such office and has served at least 20 years of aggregate public service, may retire and receive the retirement allowance prescribed by this section. The retirement allowance shall consist of an annuity that shall be the actuarial equivalent of the member's accumulated deductions together with regular interest, and a pension that, when added to the member's annuity, shall provide a retirement allowance during the remainder of the member's life in an amount equal to one-half of the member's final salary.

C.43:15A-148 "Early" retirement; formula, conditions.

7. Any workers compensation judge who has served at least five years successively as a judge of compensation and at least 25 years of aggregate public service, and who resigns or is not reappointed before reaching age 60, may elect "early" retirement, provided, that such election is communicated by the member to the retirement system by filing a written application, duly attested, stating at what time subsequent to the execution and filing thereof the member desires to be retired. Any member of the retirement system, eligible to retire under the provisions of this section, shall receive a retirement allowance consisting of an annuity which shall be the actuarial equivalent of the member's accumulated deductions together with regular interest, and a pension which, when added to the member's annuity, shall provide a retirement allowance during the remainder of the member's life in the amount of 2% of the member's final salary multiplied by the number of years of service up to 25 plus 1% of the member's final salary multiplied by the number of years of service over 25. Such retirement allowance shall be reduced in accordance with a table of actuarial equivalents recommended by the actuary and adopted by the retirement system reflecting all months that the member lacks of being age 60.

The board of trustees shall retire the member at the time specified or at such other time within one month after the date so specified as the board finds advisable.

C.43:15A-149 Deferred retirement; formula, conditions.

8. Any workers compensation judge who has served at least five years successively as a judge of compensation and at least 10 years of aggregate public service, and who resigns or is not reappointed before reaching age 60, and not by removal for cause on charges of misconduct or delinquency, may elect to receive:

a. all of the member's accumulated deductions standing to the credit of the member's individual account in the annuity savings fund as provided under subsection a. of section 41 of P.L.1954, c.84 (C.43:15A-41), or

b. a deferred retirement allowance, beginning on the first day of the month following the member's attainment of age 60 and the filing of an application therefor, which shall consist of an annuity derived from the accumulated deductions standing to the credit of the member's account in the annuity savings fund at the time of severance from service together with regular interest, and a pension which, when added to the annuity, shall produce a retirement allowance in the amount of 2% of the member's final salary multiplied by the number of years of service up to 25 plus 1% of the member's final salary multiplied by the number of years of service over 25, provided that such inactive member may elect to receive payments provided under section 7 of this act, P.L.2001, c.259 (C.43:15A-148), if the member had qualified under that section at the time of leaving service, except that in order to avail the member of the option, the member shall exercise such option at least one month before the effective date of retirement.

If such inactive member shall die after attaining age 60 but before filing an application for retirement benefits pursuant to this section or section 7 of this act and for which benefits the member would have qualified, or in the event of death after retirement, there shall be paid to such member's beneficiary the death benefits prescribed by section 10 of this act.

No beneficiary shall be eligible for a pension or survivor's benefit if the member who elected to receive a deferred pension shall die before attaining age 60. Upon receipt of the proper proofs of death, the beneficiary of a member who elects to receive a deferred retirement allowance shall be paid the member's accumulated deductions at the time of death together with regular interest.

Any member who, having elected to receive a deferred pension or deferred retirement allowance, again becomes a member while under the age of 60, shall thereupon be reenrolled. The member shall be credited with all service as a member standing to the member's credit at the time of the member's election to receive a deferred pension or deferred retirement allowance.

C.43:15A-150 Benefits to survivors of judges on active service.

9. a. Upon the receipt of proper proofs of the death in active service of a workers compensation judge member of the retirement system, there shall be paid to the member's widow a survivor's benefit of 25% of final salary for the use of the widow, to continue during widowhood, plus 10% of final salary payable to one surviving child or plus 15% of final salary to two or more surviving children; if there is no surviving widow or in case the widow dies or remarries, 15% of final salary shall be payable to one surviving child, 20% of final salary to two surviving children in equal shares and if there are three or more children, 30% of final salary shall be payable to such children in equal shares. If there is no surviving widow or child, 20% of final salary shall be payable to one surviving parent or 30% of final salary shall be payable to two surviving parents in equal shares.

b. In addition to the benefits payable under subsection a. of this section, there shall also be paid in one sum to the member's beneficiary an amount equal to one and one-half times the final salary received by the member.

C.43:15A-151 Benefits to survivors of retired judges.

10. a. Upon the receipt of proper proofs of the death of a workers compensation judge who has retired on a pension or retirement allowance based on age and service, or pursuant to section 7 of this act, P.L.2001, c.259 (C.43:15A-148), there shall be paid to the member's beneficiary, an amount equal to one-fourth of the final salary received by the member.

b. Upon the receipt of proper proofs of the death of a member who has retired on a disability pension or retirement allowance, there shall be paid to the member's beneficiary, an amount equal to one and one-half times the final salary received by the member if such death occurs before the member shall have attained 60 years of age but if such death occurs thereafter, an amount equal to one-fourth of the final salary received by the member.

C.43:15A-152 Credit for previous service; purchase, conditions.

11. a. Any workers compensation judge who wishes to receive credit for previous service as a judge of compensation or in an office, position, or employment of this State or of a county, municipality, board of education, or public agency of this State, shall file an application therefore with the board of trustees and pay into the annuity savings fund the amount required by applying the factor, supplied by the actuary, as being applicable to the judge's age at the time of purchase and the type of service to be purchased, to the member's salary at that time. Such purchase may be made in regular installments, equal to at least one-half the full normal contribution to the retirement system over a maximum period to be determined by the board of trustees.

In the case of any judge coming under the provisions of this section, full pension credit for the period of employment for which arrears are being paid shall be given upon the payment of at least one-half the total arrearage obligation and the completion of one year of membership and the making of such arrears payments, except that in the case of retirement, the total membership credit for such service shall be in direct proportion as the amount paid bears to the total amount of arrearage obligation.

b. The State shall pay to the retirement system the employer's accrued liability obligation on behalf of such judge purchasing prior service credit.

C.43:15A-153 Return of accumulated contributions; election of retirement allowance.

12. a. A workers compensation judge making contributions pursuant to the provisions of this act, P.L.2001, c.259 (C.43:15A-142 et seq.), and who is not eligible for any benefits under the Workers Compensation Judges Part, may, upon termination of such service as a judge of compensation, elect to receive the return of the judges' accumulated contributions in accordance with the provisions of subsection a. of section 41 of P.L.1954, c. 84 (C. 43:15A-41). If a workers compensation judge is a member of the retirement system on the basis of other public service, no application for a return of contributions shall be approved until the judge has terminated all service covered by the system and makes application for a return of all contributions made to the retirement system. If all or any part of a member's service as a workers compensation judge is applied toward qualifying for benefits under any other provision of P.L.1954, c.84 to which this act, P.L.2001, c.259 (C.43:15A-142 et seq.), is a supplement, no return of contributions made on the basis of the workers compensation judge salary shall be approved, and in that event, service established as a workers compensation judge and salary pertaining thereto shall be credited in the same manner as all other service and salary covered by the retirement system.

b. At the time of retirement, a member enrolled on the basis of service as a judge of compensation as well as other public service shall be permitted to elect the largest possible retirement allowance, if the member qualifies for benefits under both the provisions of this act and the act to which this is a supplement. An application for a return of contributions made on the basis of such other public service not used for the calculation of a retirement allowance or to qualify for State payment for health care benefits in retirement may be approved.

c. A workers compensation judge electing to receive a retirement allowance under the Workers Compensation Judges Part shall be ineligible to receive a retirement allowance or pension for the same service under any other law of the State.

C.43:15A-154 Determination of unfunded accrued liability.

13. The actuary for the Public Employees' Retirement System shall determine the unfunded accrued liability for the Workers Compensation Judges Part of the retirement system and the benefits provided for workers compensation judges under that part in the same manner provided for the determination of the unfunded accrued liability of the retirement system by section 24 of

P.L.1954, c.84 (C.43:15A-24). This unfunded accrued liability shall be amortized in the manner provided by section 24 over an amortization period of 30 years. Accrued liability and normal contributions for workers compensation judges shall be paid by transfers from the Second Injury Fund as provided by subsection j. of R.S.34:15-94. The Commissioner of Labor may, with the authorization of and appropriation by the Legislature, pay this unfunded accrued liability in a lump sum or over a period of time shorter than 30 years.

14. This act shall take effect immediately.

Approved December 6, 2001.