

# 53:5A-8

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2001                    **CHAPTER:** 316  
**NJSA:** 53:5A-8                (Extends State-paid SHBP benefits to State Police)  
**BILL NO:** A3247                (Substituted for S2180)

**SPONSOR(S):** Gibson and Asselta

**DATE INTRODUCED:** March 1, 2001

**COMMITTEE:**                    **ASSEMBLY:** State Government; Appropriations  
**SENATE:** State Government

**AMENDED DURING PASSAGE:** Yes

**DATE OF PASSAGE:**            **ASSEMBLY:** November 29, 2001  
**SENATE:** December 17, 2001

**DATE OF APPROVAL:** January 3, 2002

### FOLLOWING ARE ATTACHED IF AVAILABLE:

**FINAL TEXT OF BILL** (1st reprint enacted)

**A3247**

**SPONSORS STATEMENT:** (Begins on page 3 of original bill)                    Yes

**COMMITTEE STATEMENT:**                    **ASSEMBLY:** Yes    5-7-2001(State Gov't.)  
  
6-21-  
2001(Appropriat'n)

**SENATE:** Yes

**FLOOR AMENDMENT STATEMENTS:** No

**LEGISLATIVE FISCAL ESTIMATE:** Yes

**S2180**

**SPONSORS STATEMENT:** (Begins on page 3 of original bill) Yes

Bill and Sponsors Statement identical to A3247

**COMMITTEE STATEMENT:** **ASSEMBLY:** No

**SENATE:** Yes

**FLOOR AMENDMENT STATEMENTS:** No

**LEGISLATIVE FISCAL ESTIMATE:** Yes

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

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**REPORTS:** No

**HEARINGS:** No

**NEWSPAPER ARTICLES:** No

# ASSEMBLY, No. 3247

## STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED MARCH 1, 2001

**Sponsored by:**

**Assemblyman JOHN C. GIBSON**

**District 1 (Cape May, Atlantic and Cumberland)**

**Assemblyman NICHOLAS ASSELTA**

**District 1 (Cape May, Atlantic and Cumberland)**

**Co-Sponsored by:**

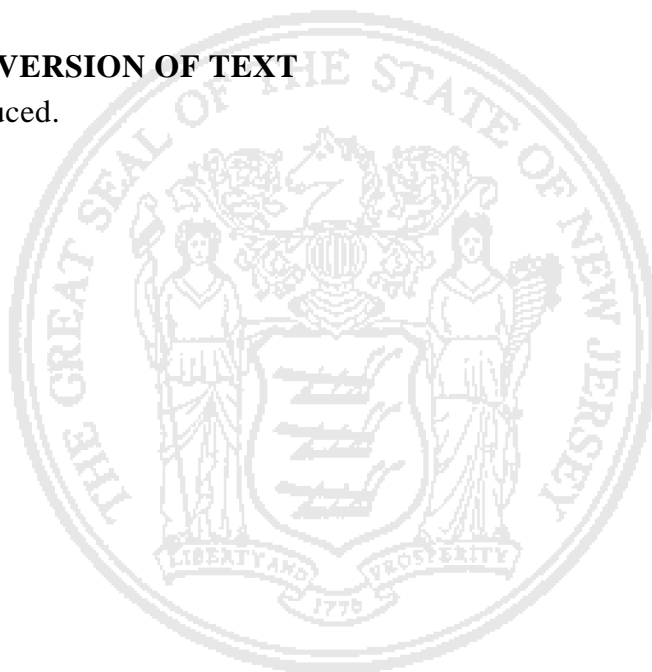
**Assemblymen Blee, Arnone, Assemblywoman Farragher and  
Assemblyman R.Smith**

**SYNOPSIS**

Provides State-paid post-retirement SHBP benefits to certain State Police officers who transferred into SPRS.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 5/11/2001)**

1 AN ACT concerning health care benefits in retirement for certain  
2 members of the State Police Retirement System of New Jersey and  
3 amending P.L.1965, c.89.

4

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

7

8 1. Section 8 of P.L.1965, c.89 (C.53:5A-8) is amended to read as  
9 follows:

10 8. a. The Legislature finds and declares that the public health,  
11 safety and welfare require the ongoing health and fitness of all  
12 members of the New Jersey State Police so that they may safely and  
13 efficiently protect the public. The Legislature further finds and  
14 declares that such continued health and fitness cannot be determined  
15 except with reference to age, and therefore finds and concludes that  
16 retirement of all members of the State Police at age 55, except as  
17 provided for in subsection c. of this section, shall constitute a bona  
18 fide occupational qualification which is reasonably necessary to the  
19 normal operation of the State Police, which qualification the  
20 Legislature hereby promulgates and establishes.

21 b. Any member of the retirement system may retire on a service  
22 retirement allowance upon the completion of at least 20 years of  
23 creditable service as a State policeman, which includes the creditable  
24 service of those members appointed to the Division of State Police  
25 under section 3 of P.L.1983, c.403 (C.39:2-9.3) and the creditable  
26 service of those members appointed to the Division of State Police  
27 under section 1 of P.L.1997, c.19 (C.53:1-8.2). Upon the filing of a  
28 written and duly executed application with the retirement system,  
29 setting forth at what time, not less than one month subsequent to the  
30 filing thereof, he desires to be retired, any such member retiring for  
31 service shall receive a service retirement allowance which shall consist  
32 of:

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

35 (2) A pension in the amount which, when added to the member's  
36 annuity, will provide a total retirement allowance of 50% of his final  
37 compensation.

38 c. Except for the Superintendent of State Police, any member of  
39 the retirement system, including a member appointed to the State  
40 Police under section 3 of P.L.1983, c.403 (C.39:2-9.3) and a member  
41 appointed to the State Police under section 1 of P.L.1997, c.19  
42 (C.53:1-8.2), who has attained the age of 55 years, shall be retired  
43 forthwith on the first day of the next calendar month following the

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

**Matter underlined thus is new matter.**

1 effective date of this 1985 amendatory act. Any member of the  
2 retirement system so retired shall receive a service retirement  
3 allowance pursuant to this section or section 27 of P.L.1965, c.89  
4 (C.53:5A-27), as appropriate.

5 d. Any member of the retirement system as of the effective date of  
6 [this act] P.L.1985, c.175 as well as any member appointed to the  
7 State Police under section 1 of P.L.1997, c.19 (C.53:1-8.2) who is  
8 required to retire pursuant to subsection c. of this section shall be  
9 entitled to continued health benefits coverage during retirement as  
10 provided in the "New Jersey State Health Benefits Program Act,"  
11 P.L.1961, c.49 (C.52:14-17.25 et seq.). Notwithstanding the  
12 provisions of section 8 of P.L.1961, c.49 (C.52:14-17.32), the State  
13 shall pay the premium or periodic charge for the benefits provided  
14 under this subsection to a member retiring under subsection c. of this  
15 section with fewer than 25 years of service credited in the retirement  
16 system, and [his] the member's dependents covered under the  
17 program, but not including survivors.

18 e. Any member of the retirement system as of the effective date of  
19 [this act] P.L.1985, c.175 who is required to retire pursuant to  
20 subsection c. of this section shall be entitled to the retirement  
21 allowance provided for by subsection b. of this section,  
22 notwithstanding that the member shall have fewer than 20 years'  
23 creditable service.

24 f. Any member of the retirement system as of the effective date of  
25 P.L.1985, c.175 who is required to retire pursuant to subsection c. of  
26 this section and who has more than 20 but less than 25 years of  
27 creditable service at the time of retirement shall be entitled to the  
28 retirement allowance provided for by subsection b. of this section plus  
29 3% of his final compensation multiplied by the number of years of  
30 creditable service over 20 but not over 25.

31 g. Upon the receipt of proper proofs of the death of a member who  
32 has retired on a service retirement allowance, there shall be paid to the  
33 member's beneficiary an amount equal to one-half of the final  
34 compensation received by the member.

35 (cf: P.L.1997, c.19, s.9)

36  
37 2. This act shall take effect immediately.  
38  
39

#### 40 STATEMENT

41  
42 This bill provides that a State Police officer who became a member  
43 of the State Police Retirement System (SPRS) by transfer pursuant to  
44 P.L.1997, c.19 will be eligible for State-paid post-retirement health  
45 care benefits under the State Health Benefits Program upon mandatory  
46 retirement at age 55, despite the fact that the member may not have

**A3247 GIBSON, ASSELTA**

4

1 accrued credit for 25 years of State service, as required by current law  
2 for such eligibility.

3 P.L.1997, c.19 allowed Alcoholic Beverage Control Enforcement  
4 Bureau inspectors, members of the State Capitol Police Force and  
5 marine law enforcement officers in the Bureau of the Marine Law  
6 Enforcement to become members of the Division of State Police and  
7 SPRS, after meeting certain requirements. Of those who transferred,  
8 some will be required to retire at age 55 before accruing 25 years of  
9 State service.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 3247**

**STATE OF NEW JERSEY**

DATED: MAY 7, 2001

The Assembly State Government Committee reports favorably Assembly, No. 3247.

This bill provides that a State Police officer who became a member of the State Police Retirement System (SPRS) by transfer pursuant to P.L.1997, c.19 will be eligible for State-paid post-retirement health care benefits under the State Health Benefits Program upon mandatory retirement at age 55, despite the fact that the member may not have accrued credit for 25 years of State service, as required by current law for such eligibility.

P.L.1997, c.19 allowed Alcoholic Beverage Control Enforcement Bureau inspectors, members of the State Capitol Police Force and marine law enforcement officers in the Bureau of the Marine Law Enforcement to become members of the Division of State Police and SPRS, after meeting certain requirements. Of those who transferred, some will be required to retire at age 55 before accruing 25 years of State service.

This bill is the same as Senate, No. 2180 of 2001.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 3247**

with Assembly committee amendments

# STATE OF NEW JERSEY

DATED: JUNE 21, 2001

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3247 with committee amendments.

Assembly Bill No. 3247, as amended, extends State-paid post-retirement health care benefits upon mandatory retirement to State Police officers with more than 20 years but fewer than 25 years of service. This includes a State Police officer who became a member of the State Police Retirement System (SPRS) by transfer pursuant to P.L.1997, c.19.

That law allowed Alcoholic Beverage Control Enforcement Bureau inspectors, members of the State Capitol Police Force and marine law enforcement officers in the Bureau of the Marine Law Enforcement to become members of the Division of State Police and SPRS, after meeting certain requirements. Of those who transferred, some will be required to retire at age 55 before accruing 25 years of State service.

#### FISCAL IMPACT:

The number of additional State Police officers who would be eligible under the bill for State-paid SHBP post-retirement benefits is not known but is estimated to be small. The Division of Pensions and Benefits estimates an annual cost of the SHBP benefits to be approximately \$7,000 per member. The cost of this bill each year will be the product of such cost and the number of eligible State Police members under the bill.

#### COMMITTEE AMENDMENTS:

The amendments extend this provision to all State Police officers who face mandatory retirement with more than 20 but fewer than 25 years of service.



[First Reprint]

**ASSEMBLY, No. 3247**

**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

INTRODUCED MARCH 1, 2001

**Sponsored by:**

**Assemblyman JOHN C. GIBSON**

**District 1 (Cape May, Atlantic and Cumberland)**

**Assemblyman NICHOLAS ASSELTA**

**District 1 (Cape May, Atlantic and Cumberland)**

**Co-Sponsored by:**

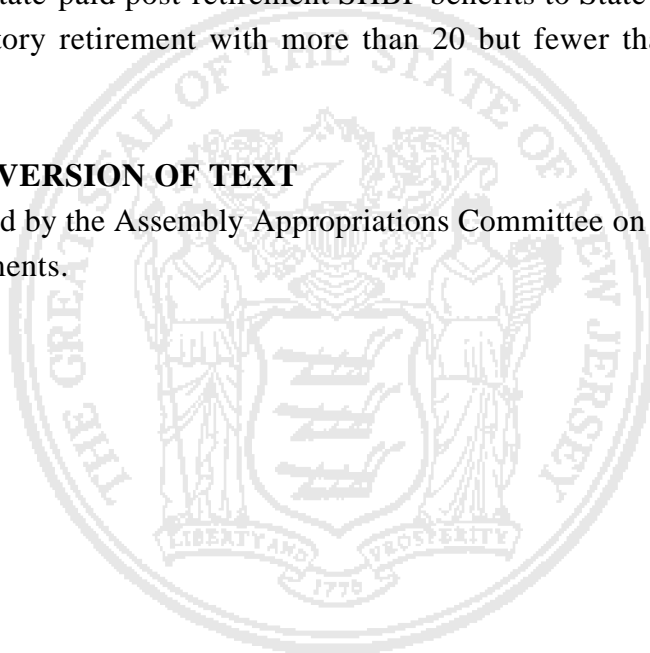
**Assemblymen Blee, Arnone, Assemblywoman Farragher, Assemblyman R.Smith, Assemblywoman Previte, Senators Cafiero, Ciesla and Matheussen**

**SYNOPSIS**

Extends State-paid post-retirement SHBP benefits to State Police officers upon mandatory retirement with more than 20 but fewer than 25 years of service.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Appropriations Committee on June 21, 2001, with amendments.



**(Sponsorship Updated As Of: 12/18/2001)**

1 AN ACT concerning health care benefits in retirement for certain  
2 members of the State Police Retirement System of New Jersey and  
3 amending P.L.1965, c.89.

4

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

7

8 1. Section 8 of P.L.1965, c.89 (C.53:5A-8) is amended to read as  
9 follows:

10 8. a. The Legislature finds and declares that the public health,  
11 safety and welfare require the ongoing health and fitness of all  
12 members of the New Jersey State Police so that they may safely and  
13 efficiently protect the public. The Legislature further finds and  
14 declares that such continued health and fitness cannot be determined  
15 except with reference to age, and therefore finds and concludes that  
16 retirement of all members of the State Police at age 55, except as  
17 provided for in subsection c. of this section, shall constitute a bona  
18 fide occupational qualification which is reasonably necessary to the  
19 normal operation of the State Police, which qualification the  
20 Legislature hereby promulgates and establishes.

21 b. Any member of the retirement system may retire on a service  
22 retirement allowance upon the completion of at least 20 years of  
23 creditable service as a State policeman, which includes the creditable  
24 service of those members appointed to the Division of State Police  
25 under section 3 of P.L.1983, c.403 (C.39:2-9.3) and the creditable  
26 service of those members appointed to the Division of State Police  
27 under section 1 of P.L.1997, c.19 (C.53:1-8.2). Upon the filing of a  
28 written and duly executed application with the retirement system,  
29 setting forth at what time, not less than one month subsequent to the  
30 filing thereof, he desires to be retired, any such member retiring for  
31 service shall receive a service retirement allowance which shall consist  
32 of:

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

35 (2) A pension in the amount which, when added to the member's  
36 annuity, will provide a total retirement allowance of 50% of his final  
37 compensation.

38 c. Except for the Superintendent of State Police, any member of  
39 the retirement system, including a member appointed to the State  
40 Police under section 3 of P.L.1983, c.403 (C.39:2-9.3) and a member  
41 appointed to the State Police under section 1 of P.L.1997, c.19  
42 (C.53:1-8.2), who has attained the age of 55 years, shall be retired

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

**Matter underlined thus is new matter.**

**Matter enclosed in superscript numerals has been adopted as follows:**

**<sup>1</sup> Assembly AAP committee amendments adopted June 21, 2001.**

1 forthwith on the first day of the next calendar month following the  
2 effective date of this 1985 amendatory act. Any member of the  
3 retirement system so retired shall receive a service retirement  
4 allowance pursuant to this section or section 27 of P.L.1965, c.89  
5 (C.53:5A-27), as appropriate.

6 d. Any member of the retirement system <sup>1</sup>[as of the effective date  
7 of [this act] P.L.1985, c.175 as well as any member appointed to the  
8 State Police under section 1 of P.L.1997, c.19 (C.53:1-8.2)]<sup>1</sup> who is  
9 required to retire pursuant to subsection c. of this section <sup>1</sup>and who  
10 has more than 20 but fewer than 25 years of creditable service at the  
11 time of retirement<sup>1</sup> shall be entitled to continued health benefits  
12 coverage during retirement as provided in the "New Jersey State  
13 Health Benefits Program Act," P.L.1961, c.49 (C.52:14-17.25 et seq.).  
14 Notwithstanding the provisions of section 8 of P.L.1961, c.49  
15 (C.52:14-17.32), the State shall pay the premium or periodic charge  
16 for the benefits provided under this subsection to a member retiring  
17 under subsection c. of this section with fewer than 25 years of service  
18 credited in the retirement system, and [his] the member's dependents  
19 covered under the program, but not including survivors.

20 e. Any member of the retirement system as of the effective date of  
21 [this act] P.L.1985, c.175 who is required to retire pursuant to  
22 subsection c. of this section shall be entitled to the retirement  
23 allowance provided for by subsection b. of this section,  
24 notwithstanding that the member shall have fewer than 20 years'  
25 creditable service.

26 f. Any member of the retirement system as of the effective date of  
27 P.L.1985, c.175 who is required to retire pursuant to subsection c. of  
28 this section and who has more than 20 but less than 25 years of  
29 creditable service at the time of retirement shall be entitled to the  
30 retirement allowance provided for by subsection b. of this section plus  
31 3% of his final compensation multiplied by the number of years of  
32 creditable service over 20 but not over 25.

33 g. Upon the receipt of proper proofs of the death of a member who  
34 has retired on a service retirement allowance, there shall be paid to the  
35 member's beneficiary an amount equal to one-half of the final  
36 compensation received by the member.

37 (cf: P.L.1997, c.19, s.9)

38

39 2. This act shall take effect immediately.

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## ASSEMBLY, No. 3247

## STATE OF NEW JERSEY

## 209th LEGISLATURE

DATED: SEPTEMBER 4, 2001

### SUMMARY

**Synopsis:** Extends State-paid post-retirement SHBP benefits to State Police officers upon mandatory retirement with more than 20 but fewer than 25 years of service.

**Type of Impact:** Annual increase in State General Fund expenditures

**Agencies Affected:** Department of Treasury, Division of Pensions and Benefits

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Cost</b>	See comments below		

- ! Provides State-paid post-retirement health care benefits under the State Health Benefits Program (SHBP) to State police officers with more than 20 but fewer than 25 years of State service at the time of mandatory retirement.
- ! The number of additional State police officers who will be eligible for the State-paid SHBP post-retirement benefits is unknown but estimated to be, on average, a few each year.
- ! Division of Pensions and Benefits estimates the **annual** cost of the SHBP benefits to be \$7,000 per officer.

### BILL DESCRIPTION

Assembly Bill No. 3247 (1R) of 2001 provides that a State Police officer who has more than 20 but fewer than 25 years of credible service in the State Police Retirement System at age 55 years, when the officer is required by law to retire, will be eligible for State-paid post-retirement health care benefits under the State Health Benefits Program.

## FISCAL ANALYSIS

### *EXECUTIVE BRANCH*

None received.

### *OFFICE OF LEGISLATIVE SERVICES*

Current law requires that a State police officer have 25 or more years of service credit in the State Police Retirement System (SPRS) in order to be eligible for State-paid post-retirement health care benefits under the State Health Benefits Program. State police officers who begin service before age 30 have the opportunity to accrue 25 or more years of credible service before mandatory retirement at age 55. A number of current officers will not accrue that required 25 years of service credit. These officers fall into two groups: (1) officers who began service after age 30 and after P.L.1985, c.175 imposed the mandatory retirement age of 55, and (2) officers who transferred to SPRS pursuant to P.L.1997, c.19, which allowed Alcoholic Beverage Control Enforcement Bureau inspectors, members of the State Capitol Police Force, and marine law enforcement officers in the Bureau of the Marine Law Enforcement to become members of the Division of State Police.

At the June 8, 2001 meeting of the Pensions and Health Benefits Review Commission, the Division of Pensions and Benefits indicated that approximately 80 officers fall into the first group and a smaller number falls into the second. Approximately 120 officers over the age of 30 years transferred in 1997, but all were previously enrolled in PFRS or PERS and transferred with some service credit toward the 25 years needed for paid health benefits in retirement. The legislation, then, will apply to some subset of that 120. Prospectively, it appears that a few officers over age 30 will enter SPRS each year.

The Division of Pensions and Benefits has indicated informally that it currently estimates the **annual** cost of fully paid post-retirement SHBP health benefits (with payment for Medicare Part B) to be about \$7,000 per person. The cost of this bill each year will be the product of such cost and the number of eligible State police officers.

Section: *State Government*

Analyst: *Pamela H. Espenshade*  
*Senior Counsel*

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

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

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

SENATE STATE GOVERNMENT COMMITTEE

STATEMENT TO

[First Reprint]

**ASSEMBLY, No. 3247**

**STATE OF NEW JERSEY**

DATED: DECEMBER 13, 2001

The Senate State Government Committee reports favorably Assembly Bill No. 3247 (1R).

This bill extends State-paid post-retirement medical benefits upon mandatory retirement at age 55 to all State Police officers in the State Police Retirement System (SPRS) with more than 20 but less than 25 years of service.

Assembly Bill No. 3247 (1R) is the same as Senate Bill No. 2180 (1R).

# SENATE, No. 2180

## STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED MARCH 8, 2001

**Sponsored by:**

**Senator JAMES S. CAFIERO**

**District 1 (Cape May, Atlantic and Cumberland)**

**Senator ANDREW R. CIESLA**

**District 10 (Monmouth and Ocean)**

**Co-Sponsored by:**

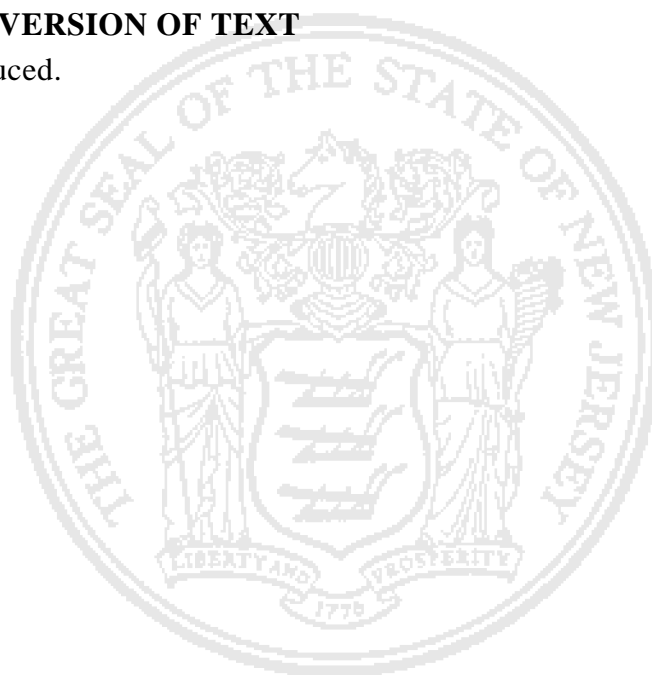
**Senator Matheussen**

**SYNOPSIS**

Provides State-paid post-retirement SHBP benefits to certain State Police officers who transferred into SPRS.

**CURRENT VERSION OF TEXT**

As introduced.



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2 members of the State Police Retirement System of New Jersey and  
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14 declares that such continued health and fitness cannot be determined  
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43 forthwith on the first day of the next calendar month following the

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35 (cf: P.L.1997, c.19, s.9)

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40 STATEMENT  
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45 care benefits under the State Health Benefits Program upon mandatory  
46 retirement at age 55, despite the fact that the member may not have

**S2180 CAFIERO, CIESLA**

4

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2 for such eligibility.

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4 Bureau inspectors, members of the State Capitol Police Force and  
5 marine law enforcement officers in the Bureau of the Marine Law  
6 Enforcement to become members of the Division of State Police and  
7 SPRS, after meeting certain requirements. Of those who transferred,  
8 some will be required to retire at age 55 before accruing 25 years of  
9 State service.

**LEGISLATIVE FISCAL ESTIMATE**  
**SENATE, No. 2180**  
**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

DATED: JULY 18, 2001

**SUMMARY**

**Synopsis:** Provides State-paid post-retirement SHBP benefits to certain State Police officers who transferred into SPRS.

**Type of Impact:** Annual increase in State General Fund expenditures

**Agencies Affected:** Department of Treasury, Division of Pensions and Benefits

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Cost</b>	See comments below		

- ! Certain State Police officers who became members of the State Police Retirement System by transfer in 1997 will be eligible for State-paid post-retirement health care benefits under the State Health Benefits Program (SHBP) upon mandatory retirement at age 55, despite the fact that they may not have accrued the required 25 years of State service.
- ! The number of additional State police officers who will be eligible for the State-paid SHBP post-retirement benefits is unknown but estimated to be small.
- ! Division of Pensions and Benefits estimates the **annual** cost of the SHBP benefits to be \$7,000 per officer.

**BILL DESCRIPTION**

Senate Bill No. 2180 of 2001 provides that a State Police officer who became a member of the State Police Retirement System (SPRS) by transfer pursuant to P.L.1997, c.19 will be eligible for State-paid post-retirement health care benefits under the State Health Benefits Program upon mandatory retirement at age 55, despite the fact that the member may not have accrued credit for 25 years of State service, as required by current law for such eligibility.

P.L.1997, c.19 allowed Alcoholic Beverage Control Enforcement Bureau inspectors, members of the State Capitol Police Force, and marine law enforcement officers in the Bureau of the Marine Law Enforcement to become members of the Division of State Police and SPRS, after meeting certain requirements. Of those who transferred, some will be required to retire at age 55 before accruing 25 years of State service.

## FISCAL ANALYSIS

### *EXECUTIVE BRANCH*

None received.

### *OFFICE OF LEGISLATIVE SERVICES*

At the June 8, 2001 meeting of the Pensions and Health Benefits Review Commission, the Division of Pensions and Benefits in the Department of the Treasury indicated that it anticipates that the number of officers affected by this legislation will not be large. Officers who transferred before age 30 will have the opportunity to serve 25 years before mandatory retirement at age 55. Within the group of Alcoholic Beverage Control Enforcement Bureau inspectors, members of the State Capitol Police Force and marine law enforcement officers in the Bureau of the Marine Law Enforcement who became members of the Division of State Police and enrolled in SPRS pursuant to P.L.1997, c.19, approximately 120 officers were over the age of 30 years. Since all of that number were previously enrolled in PFRS or PERS and transferred with some service credit toward the 25 years needed for paid health benefits in retirement, the legislation will apply to some subset of that 120.

The Division of Pensions and Benefits has indicated informally that it currently estimates the **annual** cost of fully paid post-retirement SHBP health benefits (with payment for Medicare Part B) to be about \$7,000 per person. The cost of this bill each year will be the product of such cost and the number of eligible State police officers.

Section: *State Government*

Analyst: *Pamela H. Espenshade*  
*Senior Counsel*

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

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

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

SENATE STATE GOVERNMENT COMMITTEE

STATEMENT TO

**SENATE, No. 2180**

with committee amendments

**STATE OF NEW JERSEY**

DATED: DECEMBER 13, 2001

The Senate State Government Committee reports favorably and with committee amendments Senate, No. 2180.

This bill extends State-paid post-retirement medical benefits upon mandatory retirement at age 55 to all State Police officers in the State Police Retirement System (SPRS) with more than 20 but less than 25 years of service.

The committee amended the bill to provide coverage to all State Police officers with more than 20 years of service who face mandatory retirement and not just those who became SPRS members as a result of a transfer pursuant to P.L.1997, c.19 which allowed Alcoholic Beverage Control Enforcement Bureau inspectors, members of the State Capitol Police Force and marine law enforcement officers in the Bureau of the Marine Law Enforcement to become members of the Division of State Police and SPRS.

Senate, No. 2180 (1R) is the same as Assembly, No. 3247 (1R).

[First Reprint]

**SENATE, No. 2180**

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**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

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INTRODUCED MARCH 8, 2001

**Sponsored by:**

**Senator JAMES S. CAFIERO**

**District 1 (Cape May, Atlantic and Cumberland)**

**Senator ANDREW R. CIESLA**

**District 10 (Monmouth and Ocean)**

**Co-Sponsored by:**

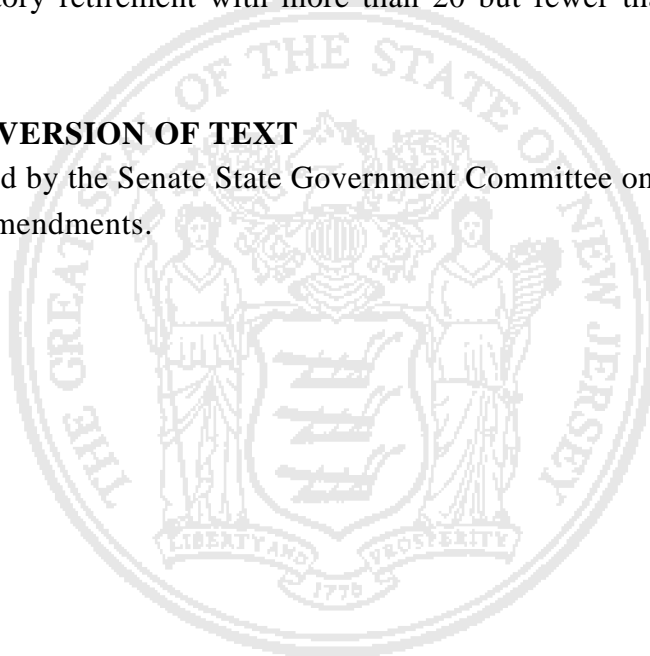
**Senator Matheussen**

**SYNOPSIS**

Extends State-paid post-retirement SHBP benefits to State Police officers upon mandatory retirement with more than 20 but fewer than 25 years of service.

**CURRENT VERSION OF TEXT**

As reported by the Senate State Government Committee on December 13, 2001, with amendments.



1 AN ACT concerning health care benefits in retirement for certain  
2 members of the State Police Retirement System of New Jersey and  
3 amending P.L.1965, c.89.

4

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

7

8 1. Section 8 of P.L.1965, c.89 (C.53:5A-8) is amended to read as  
9 follows:

10 8. a. The Legislature finds and declares that the public health,  
11 safety and welfare require the ongoing health and fitness of all  
12 members of the New Jersey State Police so that they may safely and  
13 efficiently protect the public. The Legislature further finds and  
14 declares that such continued health and fitness cannot be determined  
15 except with reference to age, and therefore finds and concludes that  
16 retirement of all members of the State Police at age 55, except as  
17 provided for in subsection c. of this section, shall constitute a bona  
18 fide occupational qualification which is reasonably necessary to the  
19 normal operation of the State Police, which qualification the  
20 Legislature hereby promulgates and establishes.

21 b. Any member of the retirement system may retire on a service  
22 retirement allowance upon the completion of at least 20 years of  
23 creditable service as a State policeman, which includes the creditable  
24 service of those members appointed to the Division of State Police  
25 under section 3 of P.L.1983, c.403 (C.39:2-9.3) and the creditable  
26 service of those members appointed to the Division of State Police  
27 under section 1 of P.L.1997, c.19 (C.53:1-8.2). Upon the filing of a  
28 written and duly executed application with the retirement system,  
29 setting forth at what time, not less than one month subsequent to the  
30 filing thereof, he desires to be retired, any such member retiring for  
31 service shall receive a service retirement allowance which shall consist  
32 of:

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

35 (2) A pension in the amount which, when added to the member's  
36 annuity, will provide a total retirement allowance of 50% of his final  
37 compensation.

38 c. Except for the Superintendent of State Police, any member of  
39 the retirement system, including a member appointed to the State  
40 Police under section 3 of P.L.1983, c.403 (C.39:2-9.3) and a member  
41 appointed to the State Police under section 1 of P.L.1997, c.19  
42 (C.53:1-8.2), who has attained the age of 55 years, shall be retired

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

**Matter underlined thus is new matter.**

**Matter enclosed in superscript numerals has been adopted as follows:**

**<sup>1</sup> Senate SSG committee amendments adopted December 13, 2001.**

1 forthwith on the first day of the next calendar month following the  
2 effective date of this 1985 amendatory act. Any member of the  
3 retirement system so retired shall receive a service retirement  
4 allowance pursuant to this section or section 27 of P.L.1965, c.89  
5 (C.53:5A-27), as appropriate.

6 d. Any member of the retirement system <sup>1</sup>[as of the effective date  
7 of [this act] P.L.1985, c.175 as well as any member appointed to the  
8 State Police under section 1 of P.L.1997, c.19 (C.53:1-8.2)]<sup>1</sup> who is  
9 required to retire pursuant to subsection c. of this section <sup>1</sup>and who  
10 has more than 20 but fewer than 25 years of creditable service at the  
11 time of retirement<sup>1</sup> shall be entitled to continued health benefits  
12 coverage during retirement as provided in the "New Jersey State  
13 Health Benefits Program Act," P.L.1961, c.49 (C.52:14-17.25 et seq.).  
14 Notwithstanding the provisions of section 8 of P.L.1961, c.49  
15 (C.52:14-17.32), the State shall pay the premium or periodic charge  
16 for the benefits provided under this subsection to a member retiring  
17 under subsection c. of this section with fewer than 25 years of service  
18 credited in the retirement system, and [his] the member's dependents  
19 covered under the program, but not including survivors.

20 e. Any member of the retirement system as of the effective date of  
21 [this act] P.L.1985, c.175 who is required to retire pursuant to  
22 subsection c. of this section shall be entitled to the retirement  
23 allowance provided for by subsection b. of this section,  
24 notwithstanding that the member shall have fewer than 20 years'  
25 creditable service.

26 f. Any member of the retirement system as of the effective date of  
27 P.L.1985, c.175 who is required to retire pursuant to subsection c. of  
28 this section and who has more than 20 but less than 25 years of  
29 creditable service at the time of retirement shall be entitled to the  
30 retirement allowance provided for by subsection b. of this section plus  
31 3% of his final compensation multiplied by the number of years of  
32 creditable service over 20 but not over 25.

33 g. Upon the receipt of proper proofs of the death of a member who  
34 has retired on a service retirement allowance, there shall be paid to the  
35 member's beneficiary an amount equal to one-half of the final  
36 compensation received by the member.

37 (cf: P.L.1997, c.19, s.9)

38

39 2. This act shall take effect immediately.



P.L. 2001, CHAPTER 316, *approved January 3, 2002*  
Assembly, No. 3247 (*First Reprint*)

1 **AN ACT** concerning health care benefits in retirement for certain  
2 members of the State Police Retirement System of New Jersey and  
3 amending P.L.1965, c.89.

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

7  
8 1. Section 8 of P.L.1965, c.89 (C.53:5A-8) is amended to read as  
9 follows:

10 8. a. The Legislature finds and declares that the public health,  
11 safety and welfare require the ongoing health and fitness of all  
12 members of the New Jersey State Police so that they may safely and  
13 efficiently protect the public. The Legislature further finds and  
14 declares that such continued health and fitness cannot be determined  
15 except with reference to age, and therefore finds and concludes that  
16 retirement of all members of the State Police at age 55, except as  
17 provided for in subsection c. of this section, shall constitute a bona  
18 fide occupational qualification which is reasonably necessary to the  
19 normal operation of the State Police, which qualification the  
20 Legislature hereby promulgates and establishes.

21 b. Any member of the retirement system may retire on a service  
22 retirement allowance upon the completion of at least 20 years of  
23 creditable service as a State policeman, which includes the creditable  
24 service of those members appointed to the Division of State Police  
25 under section 3 of P.L.1983, c.403 (C.39:2-9.3) and the creditable  
26 service of those members appointed to the Division of State Police  
27 under section 1 of P.L.1997, c.19 (C.53:1-8.2). Upon the filing of a  
28 written and duly executed application with the retirement system,  
29 setting forth at what time, not less than one month subsequent to the  
30 filing thereof, he desires to be retired, any such member retiring for  
31 service shall receive a service retirement allowance which shall consist  
32 of:

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

35 (2) A pension in the amount which, when added to the member's  
36 annuity, will provide a total retirement allowance of 50% of his final  
37 compensation.

38 c. Except for the Superintendent of State Police, any member of  
39 the retirement system, including a member appointed to the State  
40 Police under section 3 of P.L.1983, c.403 (C.39:2-9.3) and a member

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

**Matter underlined thus is new matter.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup> Assembly AAP committee amendments adopted June 21, 2001.

1 appointed to the State Police under section 1 of P.L.1997, c.19  
2 (C.53:1-8.2), who has attained the age of 55 years, shall be retired  
3 forthwith on the first day of the next calendar month following the  
4 effective date of this 1985 amendatory act. Any member of the  
5 retirement system so retired shall receive a service retirement  
6 allowance pursuant to this section or section 27 of P.L.1965, c.89  
7 (C.53:5A-27), as appropriate.

8 d. Any member of the retirement system <sup>1</sup>[as of the effective date  
9 of [this act] P.L.1985, c.175 as well as any member appointed to the  
10 State Police under section 1 of P.L.1997, c.19 (C.53:1-8.2)]<sup>1</sup> who is  
11 required to retire pursuant to subsection c. of this section <sup>1</sup>and who  
12 has more than 20 but fewer than 25 years of creditable service at the  
13 time of retirement<sup>1</sup> shall be entitled to continued health benefits  
14 coverage during retirement as provided in the "New Jersey State  
15 Health Benefits Program Act," P.L.1961, c.49 (C.52:14-17.25 et seq.).  
16 Notwithstanding the provisions of section 8 of P.L.1961, c.49  
17 (C.52:14-17.32), the State shall pay the premium or periodic charge  
18 for the benefits provided under this subsection to a member retiring  
19 under subsection c. of this section with fewer than 25 years of service  
20 credited in the retirement system, and [his] the member's dependents  
21 covered under the program, but not including survivors.

22 e. Any member of the retirement system as of the effective date of  
23 [this act] P.L.1985, c.175 who is required to retire pursuant to  
24 subsection c. of this section shall be entitled to the retirement  
25 allowance provided for by subsection b. of this section,  
26 notwithstanding that the member shall have fewer than 20 years'  
27 creditable service.

28 f. Any member of the retirement system as of the effective date of  
29 P.L.1985, c.175 who is required to retire pursuant to subsection c. of  
30 this section and who has more than 20 but less than 25 years of  
31 creditable service at the time of retirement shall be entitled to the  
32 retirement allowance provided for by subsection b. of this section plus  
33 3% of his final compensation multiplied by the number of years of  
34 creditable service over 20 but not over 25.

35 g. Upon the receipt of proper proofs of the death of a member who  
36 has retired on a service retirement allowance, there shall be paid to the  
37 member's beneficiary an amount equal to one-half of the final  
38 compensation received by the member.

39 (cf: P.L.1997, c.19, s.9)

40  
41 2. This act shall take effect immediately.

42  
43  
44  
45 Extends State-paid post-retirement SHBP benefits to State Police  
46 officers upon mandatory retirement with more than 20 but fewer than  
47 25 years of service.

## CHAPTER 316

**AN ACT** concerning health care benefits in retirement for certain members of the State Police Retirement System of New Jersey and amending P.L.1965, c.89.

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

1. Section 8 of P.L.1965, c.89 (C.53:5A-8) is amended to read as follows:

C.53:5A-8 Retirement for age and service; benefits.

8. a. The Legislature finds and declares that the public health, safety and welfare require the ongoing health and fitness of all members of the New Jersey State Police so that they may safely and efficiently protect the public. The Legislature further finds and declares that such continued health and fitness cannot be determined except with reference to age, and therefore finds and concludes that retirement of all members of the State Police at age 55, except as provided for in subsection c. of this section, shall constitute a bona fide occupational qualification which is reasonably necessary to the normal operation of the State Police, which qualification the Legislature hereby promulgates and establishes.

b. Any member of the retirement system may retire on a service retirement allowance upon the completion of at least 20 years of creditable service as a State policeman, which includes the creditable service of those members appointed to the Division of State Police under section 3 of P.L.1983, c.403 (C.39:2-9.3) and the creditable service of those members appointed to the Division of State Police under section 1 of P.L.1997, c.19 (C.53:1-8.2). Upon the filing of a written and duly executed application with the retirement system, setting forth at what time, not less than one month subsequent to the filing thereof, he desires to be retired, any such member retiring for service shall receive a service retirement allowance which shall consist of:

- (1) An annuity which shall be the actuarial equivalent of his aggregate contributions; and
- (2) A pension in the amount which, when added to the member's annuity, will provide a total retirement allowance of 50% of his final compensation.

c. Except for the Superintendent of State Police, any member of the retirement system, including a member appointed to the State Police under section 3 of P.L.1983, c.403 (C.39:2-9.3) and a member appointed to the State Police under section 1 of P.L.1997, c.19 (C.53:1-8.2), who has attained the age of 55 years, shall be retired forthwith on the first day of the next calendar month following the effective date of this 1985 amendatory act. Any member of the retirement system so retired shall receive a service retirement allowance pursuant to this section or section 27 of P.L.1965, c.89 (C.53:5A-27), as appropriate.

d. Any member of the retirement system who is required to retire pursuant to subsection c. of this section and who has more than 20 but fewer than 25 years of creditable service at the time of retirement shall be entitled to continued health benefits coverage during retirement as provided in the "New Jersey State Health Benefits Program Act," P.L.1961, c.49 (C.52:14-17.25 et seq.). Notwithstanding the provisions of section 8 of P.L.1961, c.49 (C.52:14-17.32), the State shall pay the premium or periodic charge for the benefits provided under this subsection to a member retiring under subsection c. of this section with fewer than 25 years of service credited in the retirement system, and the member's dependents covered under the program, but not including survivors.

e. Any member of the retirement system as of the effective date of P.L.1985, c.175 who is required to retire pursuant to subsection c. of this section shall be entitled to the retirement allowance provided for by subsection b. of this section, notwithstanding that the member shall have fewer than 20 years' creditable service.

f. Any member of the retirement system as of the effective date of P.L.1985, c.175 who is required to retire pursuant to subsection c. of this section and who has more than 20 but less than 25 years of creditable service at the time of retirement shall be entitled to the retirement allowance provided for by subsection b. of this section plus 3% of his final compensation multiplied by the number of years of creditable service over 20 but not over 25.

g. Upon the receipt of proper proofs of the death of a member who has retired on a service retirement allowance, there shall be paid to the member's beneficiary an amount equal to one-half of the final compensation received by the member.

2. This act shall take effect immediately.

Approved January 3, 2002.