

43:10-61 et al

LEGISLATIVE HISTORY CHECKLIST

NJSA: 43:10-61 et al

(Sheriffs' employees--
retirement system--various
amendments)

LAWS OF: 1985

CHAPTER: 218

Bill No: S215

Sponsor(s): O'Connor

Date Introduced: Pre-filed

Committee: **Assembly:** State Government, Civil Services, Elections, Pensions and
Veteran Affairs

Senate: County and Municipal Government

Amended during passage: Yes Amendments denoted by asterisks
according to Governor's recommendations

Date of Passage: **Assembly:** June 28, 1984 Re-enacted 6-27-85

Senate: February 27, 1984 Re-enacted 5-2-85

Date of Approval: July 2, 1985

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: **Assembly** Yes

Senate Yes

Fiscal Note: No

Veto Message: Yes

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

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SENATE, No. 215

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1984 SESSION

By Senator O'CONNOR

AN ACT concerning the sheriff's employees retirement system in certain counties of the first and second class, and amending R. S. 43:10-61, R. S. 43:10-66 and R. S. 43:10-67 and supplementing chapter 10 of Title 43 of the Revised Statutes.

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

1 1. R. S. 43:10-61 is amended to read as follows:

2 43:10-61. *a.* In any first or second class county of this State any
3 sheriff's employee who shall now or hereafter have served as such
4 for a continuous period of 20 years, and shall have reached the age
5 of 60 years, shall, upon application in writing to the board of
6 chosen freeholders of the county, be retired upon half pay.

7 *b.* *Should any member of the pension fund created pursuant to*
8 *R. S. 43:10-69, after having completed 10 years of service for which*
9 *credit has been established in the pension fund, be separated*
10 *voluntarily or involuntarily from the service, before reaching age*
11 *60, and not by removal for cause or charges of misconduct or*
12 *delinquency, he may elect to withdraw his contributions to the fund*
13 *or receive a deferred pension beginning at age 60 **[in *[the]**
14 **an* amount *which bears the same proportion to the amount of the*
15 *pension for which he would have qualified if he had continued*
16 *in service until he attained the age of 60 years as the number of**
17 *his years of service credited in the fund bear to the total number*
18 *of years of service he *[could]* *would* have achieved had he*
19 *continued to age 60 and qualified for the pension of one-half of the*
20 *annual salary he was receiving at the time he *[elected the deferred*
21 *pension]* *became separated from such service*.]** **which shall*

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

Matter printed in italics thus is new matter.

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

*—Assembly committee amendments adopted May 17, 1984.

**—Senate amendment adopted in accordance with Governor's recommendations September 20, 1984.

22 *be made up of an annuity derived from the accumulated deductions*
 23 *standing to the credit of the individual member's account in the*
 24 *annuity savings fund at the time of his severance from service*
 25 *together with regular interest and a pension which when added to*
 26 *the annuity will produce a total retirement allowance of 1/60th*
 27 *of the annual salary the member was receiving at the time he*
 28 *became separated from service for each year of creditable service.***

1 2. R. S. 43:10-66 is amended to read as follows:

2 43:10-66. The widow of any sheriff's employee who shall die from
 3 any cause shall receive a pension so long as she shall remain un-
 4 married, equal to one-half of the amount of the annual salary of
 5 such sheriff's employee at the time of his death, and at her death,
 6 or in case there be no widow, his minor child or children, until
 7 each reaches the age of 16 years, shall receive the amount of said
 8 pension for their support. *A "widower" shall receive the same*
 9 *benefits as a "widow" receives pursuant to this section.*

1 3. R. S. 43:10-67 is amended to read as follows:

2 43:10-67. If any sheriff's employee, after having been retired on
 3 half pay, shall die leaving his surviving a widow who was his wife
 4 at the time of his retirement, such widow, so long as she shall re-
 5 main unmarried, shall receive a pension equal to one-half the
 6 amount of the annual salary of such sheriff's employee at the time
 7 of his retirement. *A "widower" shall receive the same benefits as*
 8 *a "widow" receives pursuant to this section.*

1 4. (New section) Any member of the pension fund created
 2 pursuant to R. S. 43:10-69 who withdraws from service or ceases
 3 to be an employee for any cause other than death or retirement
 4 shall, upon the filing of an application therefor, receive all his
 5 accumulated deductions standing to the credit of his account, plus
 6 interest at the rate of 2% per annum. If the member shall die
 7 before withdrawing or before endorsing the check constituting
 8 the return of his accumulated deductions, the deductions shall
 9 be paid to his beneficiary. If no beneficiary has been named, the
 10 deductions shall be paid to his estate.

1 5. This act shall take effect immediately.

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 5 such sheriff's employee at the time of his death, and at her death,
 6 or in case there be no widow, his minor child or children, until
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 3 half pay, shall die leaving his surviving a widow who was his wife
 4 at the time of his retirement, such widow, so long as she shall re-
 5 main unmarried, shall receive a pension equal to one-half the
 6 amount of the annual salary of such sheriff's employee at the time
 7 of his retirement. *A "widower" shall receive the same benefits as*
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 9 be paid to his beneficiary. If no beneficiary has been named, the
 10 deductions shall be paid to his estate.

1 5. This act shall take effect immediately.

STATEMENT

This bill amends and supplements the law concerning the sheriff's employees retirement system in counties of the first and second class so as to allow vesting after 10 years of service and deferred retirement. It also provides for the return of accumulated deductions for persons withdrawing from the system. These provisions are modeled on similar provisions in the Public Employees' Retirement System.

In addition the bill provides that widowers will receive the same benefits accorded widows upon the death of a member of the retirement system.

S215 985

ASSEMBLY STATE GOVERNMENT, CIVIL SERVICE,
ELECTIONS, PENSIONS AND VETERANS AFFAIRS
COMMITTEE

STATEMENT TO
SENATE, No. 215
with Assembly committee amendments

STATE OF NEW JERSEY

DATED: MAY 17, 1984

This bill amends and supplements the law concerning the sheriff's employees retirement system in counties of the first and second class so as to allow vesting after 10 years of service and deferred retirement. It also provides for the return of accumulated deductions for persons withdrawing from the system.

COMMITTEE AMENDMENT

The committee amended the bill: (1) to clarify the nature of the fractional formula which is to be applied to the salary base for the purpose of calculating the deferred benefit payment (essentially, "years actually served" divided by "years that would have been served if the employee had served until service retirement age"); and (2) to clarify that the salary base to which the formula is to be applied is the salary applicable to the member at the time he terminated his service, and not the salary he was receiving at the time he elected deferred retirement (which, since the right of such election will not exist until the bill is enacted, could be a substantially different amount).

SENATE COUNTY AND MUNICIPAL GOVERNMENT
COMMITTEE

STATEMENT TO
SENATE, No. 215

STATE OF NEW JERSEY

DATED: FEBRUARY 6, 1984

Senate Bill No. 215 would amend and supplement the law concerning the sheriff's employees retirement system, R. S. 43:10-60 et seq., in counties of the first and second classes to permit the following, modeled on provisions in the Public Employees' Retirement System:

- (1) vesting after 10 years service,
- (2) deferred retirement
- (3) return of accumulated deductions for persons withdrawing from the system.

The bill also would extend the benefits accorded to widows upon the death of a member of the retirement system to widowers.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

September 13, 1984

SENATE BILL NO. 215 (OCR)

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the Constitution, I herewith return Senate Bill No. 215 (OCR) with my objections and recommendations for amendment.

This bill amends the law pertaining to the Sheriff's Employees Retirement System (SERS) for counties of the first and second class to give a member with at least ten years of creditable service who then discontinues service the option of receiving his/her accumulated deductions plus interest at a rate of two percent per annum or of deferring receipt of his/her retirement allowance until age 60. Current law does not allow a SERS member the option of deferring his/her retirement allowance upon discontinuing service. Senate Bill No. 215 (OCR) also amends and supplements current law to ensure that widowers shall receive death or survivor benefits in the same amount as are currently being received by widows.

I support the concepts expressed within Senate Bill No. 215 (OCR). I believe that a SERS member who becomes separated from service before reaching age 60 should have the option of deferring his/her retirement allowance until age 60. Additionally, I believe that widowers are entitled to death or survivor benefits in the same amount as are currently being received by widows.

While I support the concepts expressed within Senate Bill No. 215 (OCR), I must return this bill to you so that the language setting forth the deferred retirement allowance formula may be clarified. Section 1b provides that a SERS member who becomes separated from service may elect to receive a deferred retirement allowance beginning at age 60:

"in . . . an amount which bears the same proportion to the amount of the pension for which he would have qualified if he had continued in service until he attained the age of 60 years as the number of his years of service credited in the fund bear to the total number of years of service he . . . would have achieved had he continued to age 60 and qualified for the pension of one-half of the annual salary he was receiving at the time he . . . became separated from such service."

This formula is difficult to understand and will be more difficult to administer. I am concerned that this formula will be administered incorrectly so that a SERS member will receive an inequitable deferred retirement allowance at age 60. For this reason, I recommend that the above language be deleted from Senate Bill No. 215 (OCR) in favor of the deferred retirement allowance formula set forth within the law pertaining to the Public Employees' Retirement System. This formula is less complicated, has been effectively administered, and will ensure that a SERS member will receive a deferred retirement allowance that equitably reflects his/her years of creditable service.

Accordingly, I return Senate Bill No. 215 (OCR) to you and recommend that it be amended as follows:

Page 1, Section 1, Lines 13-21: After "60" omit rest of line 13; omit lines 14 through 21; insert "which shall be made up of an annuity derived from the accumulated deductions standing to the credit of the individual member's account in the annuity savings fund at the time of his severance from service together with regular interest and a pension which when added to the annuity will produce a total retirement allowance of 1/60th of the annual salary the member was receiving at the time he became separated from service for each year of creditable service"

Respectfully,

/s/ Thomas H. Kean
GOVERNOR

[seal]

Attest:

/s/ W. Cary Edwards
Chief Counsel