

43:16A-12.1

✓

LEGISLATIVE HISTORY CHECKLIST

NJSA: 43:16A-12.1 (P&FRS-increase pension of widow or widower)

LAWS OF: 1985 CHAPTER: 393

BILL NO: A803

Sponsor(s): Pellecchia and Girgenti

Date Introduced: January 23, 1984

Committee: Assembly: State Government, Civil Service, Elections, Pensions, and Veterans' Affairs.

Senate: State Government, Federal and Interstate Relations and Veterans' Affairs; Revenue, Finance and Appropriations.

Amended during passage: Yes Substituted for S2620 (not attached since identical to A803).

Date of Passage: Assembly: April 29, 1984 Re-enacted 9-9-95

Senate: June 27, 1985 Re-enacted 12-12-85

Date of Approval: December 20, 1985

Following statements are attached if available:

Sponsor statement: Yes (Below)

Committee statement: Assembly Yes

Senate Yes 6-20-85 to 5-6-85

Fiscal Note: No

Veto Message: ~~No~~ Yes

Message on Signing: ~~No~~ Yes

Following were printed:

Reports: No

Hearings: No

Sponsors' statement:

The purpose of this bill is to increase the pension of a widow or widower of a member of the Police and Firemen's Retirement System who dies after retirement from 25% to 50% of average final compensation.

[THIRD OFFICIAL COPY REPRINT]

ASSEMBLY, No. 803

STATE OF NEW JERSEY

INTRODUCED JANUARY 23, 1984

By Assemblymen PELLECCIA and GIRGENTI

AN ACT concerning the pensions of widows and widowers of members of the Police and Firemen's Retirement System and amending P. L. 1967, c. 250 ***and supplementing P. L. 1958, c. 143 (C. 43:3B-1 et seq.)***.

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

1 1. Section 26 of P. L. 1967, c. 250 (C. 43:16A-12.1) is amended
2 to read as follows:

3 26. a. Upon the death after retirement of any member of the
4 retirement system there shall be paid to his widow or widower a
5 pension of **[25%]** *****[50%]***** ***35%*** of average final com-
6 pensation for the use of herself or himself, to continue during her
7 or his widowhood, plus 15% of such compensation payable to one
8 surviving child or an additional 25% of such compensation to two
9 or more children; if there is no surviving widow or widower or
10 in case the widow or widower dies or remarries, 20% of average
11 final compensation will be payable to one surviving child, 35% of
12 such compensation to two surviving children in equal shares and
13 if there be three or more children, 50% of such compensation would
14 be payable to such children in equal shares.

15 b. The increased pension benefits payable under this act shall
16 apply only to cases where such policeman or fireman retires on or
17 after December 18, 1967 and shall not affect pensions paid or to be
18 paid as a result of retirements occurring prior to said date.

19 c. As of December 18, 1967, all widows' pensions previously
20 granted pursuant to the provisions of section 10 of chapter 255 of
21 the laws of 1944, as amended, and all such pensions previously

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 amendment adopted February 14, 1985.

**—Senate committee amendment adopted May 6, 1985.

***—Assembly amendments adopted in accordance with Governor's recommendations August 28, 1985.

22 granted, or to be granted where retirement for accidental disability
 23 occurred prior to said date, pursuant to the provisions of section
 24 7(3) of chapter 255 of the laws of 1944, as amended, will be subject
 25 to a minimum, annual, aggregate payment of \$1,600.00.

26 **【**d. The State shall reimburse local governments for addi-**
 27 *tional pension costs arising from the increase from 25% to 50% of*
 28 *a pension payable to the surviving spouse due to this 1985 amen-*
 29 *datory act.**】****

1 ****2. (New section) The provisions of section 7 of P. L. 1969,*
 2 *c. 169 (C. 43:3B-8) shall not apply to section 26 of P. L. 1967, c. 250*
 3 *(C. 43:16A-12.1) as amended by this 1985 amendatory and supple-*
 4 *mentary act, and the annual cost of living adjustment received by*
 5 *widows and widowers under P. L. 1958, c. 143 (C. 43:3B-1 et seq.)*
 6 *as amended and supplemented by P. L. 1969, c. 169 shall be calcu-*
 7 *lated as of the date of retirement of the member of the retirement*
 8 *system.****

1 ****【2.】*** ***3.*** This act shall take effect immediately*
 2 ****【*and shall apply retroactively to January 1, 1985*】***.*

ASSEMBLY, No. 803

STATE OF NEW JERSEY

INTRODUCED JANUARY 23, 1984

By Assemblymen PELLECCCHIA and GIRGENTI

AN ACT concerning the pensions of widows and widowers of members of the Police and Firemen's Retirement System and amending P. L. 1967, c. 250.

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

1 1. Section 26 of P. L. 1967, c. 250 (C. 43:16A-12.1) is amended
2 to read as follows:

3 26. a. Upon the death after retirement of any member of the
4 retirement system there shall be paid to his widow or widower a
5 pension of **[25%]** 50% of average final compensation for the use
6 of herself or himself, to continue during her or his widowhood,
7 plus 15% of such compensation payable to one surviving child or
8 an additional 25% of such compensation to two or more children;
9 if there is no surviving widow or widower or in case the widow or
10 widower dies or remarries, 20% of average final compensation will
11 be payable to one surviving child, 35% of such compensation to two
12 surviving children in equal shares and if there be three or more
13 children, 50% of such compensation would be payable to such chil-
14 dren in equal shares.

15 b. The increased pension benefits payable under this act shall
16 apply only to cases where such policeman or fireman retires on or
17 after December 18, 1967 and shall not affect pensions paid or to be
18 paid as a result of retirements occurring prior to said date.

19 c. As of December 18, 1967, all widows' pensions previously
20 granted pursuant to the provisions of section 10 of chapter 255 of

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.

21 the laws of 1944, as amended, and all such pensions previously
22 granted, or to be granted where retirement for accidental disability
23 occurred prior to said date, pursuant to the provisions of section
24 7(3) of chapter 255 of the laws of 1944, as amended, will be subject
25 to a minimum, annual, aggregate payment of \$1,600.00.

1 2. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to increase the pension of a widow or widower of a member of the Police and Firemen's Retirement System who dies after retirement from 25% to 50% of average final compensation.

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

STATEMENT TO
ASSEMBLY, No. 803
with Assembly committee amendment

STATE OF NEW JERSEY

DATED: FEBRUARY 14, 1985

This bill would increase the pension payable to the surviving spouse of a member of the Police and Firemen's Retirement System who dies after retirement from 25% of the retirant's average final compensation to 50% of such compensation.

COMMITTEE AMENDMENT

The committee amended the bill to make its provisions applicable retroactive to January 1, 1985.

The committee reported the bill favorably.

[OFFICIAL COPY REPRINT]

ASSEMBLY, No. 803

STATE OF NEW JERSEY

INTRODUCED JANUARY 23, 1984

By Assemblymen PELLECCCHIA and GIRGENTI

AN ACT concerning the pensions of widows and widowers of members of the Police and Firemen's Retirement System and amending P. L. 1967, c. 250.

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

1 1. Section 26 of P. L. 1967, c. 250 (C. 43:16A-12.1) is amended
2 to read as follows:

3 26. a. Upon the death after retirement of any member of the
4 retirement system there shall be paid to his widow or widower a
5 pension of **[25%]** 50% of average final compensation for the use
6 of herself or himself, to continue during her or his widowhood,
7 plus 15% of such compensation payable to one surviving child or
8 an additional 25% of such compensation to two or more children;
9 if there is no surviving widow or widower or in case the widow or
10 widower dies or remarries, 20% of average final compensation will
11 be payable to one surviving child, 35% of such compensation to two
12 surviving children in equal shares and if there be three or more
13 children, 50% of such compensation would be payable to such chil-
14 dren in equal shares.

15 b. The increased pension benefits payable under this act shall
16 apply only to cases where such policeman or fireman retires on or
17 after December 18, 1967 and shall not affect pensions paid or to be
18 paid as a result of retirements occurring prior to said date.

19 c. As of December 18, 1967, all widows' pensions previously
20 granted pursuant to the provisions of section 10 of chapter 255 of
21 the laws of 1944, as amended, and all such pensions previously

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 amendment adopted February 14, 1985.

22 granted, or to be granted where retirement for accidental disability
23 occurred prior to said date, pursuant to the provisions of section
24 7(3) of chapter 255 of the laws of 1944, as amended, will be subject
25 to a minimum, annual, aggregate payment of \$1,600.00.

1 2. This act shall take effect immediately **and shall apply retro-*
2 *actively to January 1, 1985**.

ASSEMBLY REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 803

[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

DATED: APRIL 15, 1985

PROVISIONS:

Assembly Bill No. 803 (OCR) would increase the pension payable to the surviving spouse of a member of the Police and Firemen's Retirement System (PFRS) who dies after retirement from 25% to 50% of the retirant's average final compensation. The bill is retroactive to January 1, 1985.

FISCAL IMPACT:

The Division of Pensions has estimated the annual cost of this bill to be approximately \$16.8 million, of which \$16 million would be payable by local governments and \$0.8 million by the State. This figure is based on a doubling of the existing survivor's benefit and a corresponding doubling of the present value of that benefit which stood at \$252.5 million as of June 30, 1983 actuarial valuation.

The committee favorably reports this bill.

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

STATEMENT TO
ASSEMBLY, No. 803

[OFFICIAL COPY REPRINT]
with Senate committee amendments

STATE OF NEW JERSEY

DATED: MAY 6, 1985

This bill increases the pension payable to the surviving spouse of a member of the Police and Firemen's Retirement System who dies after retirement from 25% to 50% of the retirant's average final compensation. The bill is retroactive to January 1, 1985.

The committee amended the bill to provide that the State shall reimburse local governments for additional pension costs arising from the increase from 25% to 50% of a pension payable to the surviving spouse due to this 1985 amendatory act.

[SENATE REPRINT]
ASSEMBLY, No. 803
[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

INTRODUCED JANUARY 23, 1984

By Assemblymen PELLECCCHIA and GIRGENTI

AN ACT concerning the pensions of widows and widowers of members of the Police and Firemen's Retirement System and amending P. L. 1967, c. 250.

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

1 1. Section 26 of P. L. 1967, c. 250 (C. 43:16A-12.1) is amended
2 to read as follows:

3 26. a. Upon the death after retirement of any member of the
4 retirement system there shall be paid to his widow or widower a
5 pension of **[25%]** 50% of average final compensation for the use
6 of herself or himself, to continue during her or his widowhood,
7 plus 15% of such compensation payable to one surviving child or
8 an additional 25% of such compensation to two or more children;
9 if there is no surviving widow or widower or in case the widow or
10 widower dies or remarries, 20% of average final compensation will
11 be payable to one surviving child, 35% of such compensation to two
12 surviving children in equal shares and if there be three or more
13 children, 50% of such compensation would be payable to such chil-
14 dren in equal shares.

15 b. The increased pension benefits payable under this act shall
16 apply only to cases where such policeman or fireman retires on or
17 after December 18, 1967 and shall not affect pensions paid or to be
18 paid as a result of retirements occurring prior to said date.

19 c. As of December 18, 1967, all widows' pensions previously
20 granted pursuant to the provisions of section 10 of chapter 255 of
21 the laws of 1944, as amended, and all such pensions previously

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 amendment adopted February 14, 1985.

**—Senate committee amendment adopted May 6, 1985.

22 granted, or to be granted where retirement for accidental disability
23 occurred prior to said date, pursuant to the provisions of section
24 7(3) of chapter 255 of the laws of 1944, as amended, will be subject
25 to a minimum, annual, aggregate payment of \$1,600.00.

26 ***d. The State shall reimburse local governments for additional*
27 *pension costs arising from the increase from 25% to 50% of a pen-*
28 *sion payable to the surviving spouse due to this 1985 amendatory*
29 *act.***

1 2. This act shall take effect immediately **and shall apply retro-*
2 *actively to January 1, 1985*.*

SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 803

[OFFICIAL COPY REPRINT/SENATE REPRINT]

STATE OF NEW JERSEY

DATED: JUNE 20, 1985

This bill would increase the pension payable to the surviving spouse of a member of the Police and Firemen's Retirement System (PFRS) who dies after retirement from 25% to 50% of the retirant's average final compensation. The bill is retroactive to January 1, 1985.

FISCAL IMPACT:

The Division of Pensions has estimated the annual cost of this bill to be approximately \$16.8 million. This figure is based on a doubling of the existing survivor's benefit and a corresponding doubling of the present value of that benefit which stood at \$252.5 million as of June 30, 1983 actuarial valuation. More recent information provided by the actuary of the PFRS placed the annual cost at \$20.5 million.

Under previous amendments adopted by the Senate State Government Committee, the additional costs associated with this bill will be borne by the State.

OTHER LEGISLATION:

This bill is identical to Senate Bill No. 2620, as that bill was amended and favorably reported.

[SECOND OFFICIAL COPY REPRINT]

ASSEMBLY, No. 803

STATE OF NEW JERSEY

INTRODUCED JANUARY 23, 1984

By Assemblymen PELLECCCHIA and GIRGENTI

AN ACT concerning the pensions of widows and widowers of members of the Police and Firemen's Retirement System and amending P. L. 1967, c. 250.

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

1 1. Section 26 of P. L. 1967, c. 250 (C. 43:16A-12.1) is amended
2 to read as follows:

3 26. a. Upon the death after retirement of any member of the
4 retirement system there shall be paid to his widow or widower a
5 pension of **[25%]** *50%* of average final compensation for the use
6 of herself or himself, to continue during her or his widowhood,
7 plus 15% of such compensation payable to one surviving child or
8 an additional 25% of such compensation to two or more children;
9 if there is no surviving widow or widower or in case the widow or
10 widower dies or remarries, 20% of average final compensation will
11 be payable to one surviving child, 35% of such compensation to two
12 surviving children in equal shares and if there be three or more
13 children, 50% of such compensation would be payable to such chil-
14 dren in equal shares.

15 b. The increased pension benefits payable under this act shall
16 apply only to cases where such policeman or fireman retires on or
17 after December 18, 1967 and shall not affect pensions paid or to be
18 paid as a result of retirements occurring prior to said date.

19 c. As of December 18, 1967, all widows' pensions previously
20 granted pursuant to the provisions of section 10 of chapter 255 of
21 the laws of 1944, as amended, and all such pensions previously

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 amendment adopted February 14, 1985.

**—Senate committee amendment adopted May 6, 1985.

22 granted, or to be granted where retirement for accidental disability
23 occurred prior to said date, pursuant to the provisions of section
24 7(3) of chapter 255 of the laws of 1944, as amended, will be subject
25 to a minimum, annual, aggregate payment of \$1,600.00.

26 ***d. The State shall reimburse local governments for additional*
27 *pension costs arising from the increase from 25% to 50% of a pen-*
28 *sion payable to the surviving spouse due to this 1985 amendatory*
29 *act.***

1 2. This act shall take effect immediately **and shall apply retro-*
2 *actively to January 1, 1985*.*

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

August 28, 1985

ASSEMBLY BILL NO. 803 (2nd OCR)

To the General Assembly:

Pursuant to Article V, Section 1, Paragraph 14 of the Constitution, I herewith return Assembly Bill No. 803 (2nd OCR) with my recommendations for reconsideration.

Assembly Bill No. 803 (2nd OCR) would require that the survivorship benefit paid to a widow or widower of a retiree of the Police and Firemen's Retirement System (PFRS) be increased from 25% to 50% of the retiree's average final compensation. The State would be required to reimburse local governments for the cost of the increase. The provisions of the bill would take effect immediately and apply retroactively to January 1, 1985.

I support an increase in the survivorship benefit for widows and widowers of retirees of the PFRS. Many PFRS widows and widowers are currently living below the poverty level. An increased benefit will allow these widows and widowers to live out their remaining years with dignity.

While I support the concept expressed within Assembly Bill No. 803 (2nd OCR), I cannot support the structure of the benefit provided in the bill. As such, I must return Assembly Bill No. 803 (2nd OCR) and recommend that it be amended as follows:

The increase in the survivorship benefit from 25% to 50% of average final compensation is too great at this time. The Division of Pensions advises that the annual cost of Assembly Bill No. 803 (2nd OCR) could approach \$20 million. I cannot support such an expenditure before I receive the report of the State and Local Expenditure and Revenue Policy Commission. I expect to receive the Commission's report by January 15, 1986.

While I cannot support the level of increase set forth in Assembly Bill No. 803 (2nd OCR) at this time, an increase in the survivorship benefit is warranted. The widows and widowers of PFRS members deserve an enhanced benefit for the tribulations endured during their spouses' careers and during retirement. I recommend that the survivorship benefit for widows and widowers of PFRS members be increased from 25% to 35% of average final compensation. This increase will enhance a widow or widower's benefit approximately 40%, while reducing the cost of the bill approximately 60%.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

2

Assembly Bill No. 803 (2nd OCR) must be amended to ensure that eligible widows and widowers will receive the entire benefit provided by the bill. The Division of Pensions advises that a provision in the Pension Adjustment Act (N.J.S.A. 43:3B-1 et seq.) could reduce the benefit that will be received by some widows and widowers. This provision directs, in part, that if legislation is adopted providing for a blanket increase in survivorship benefits, all annual cost of living adjustments will be terminated, except in the instance where the current benefit plus the annual cost of living increase exceeds the amount provided in the legislation. In this instance, the increase will be the difference between the new survivorship benefit and the old benefit plus annual cost of living adjustments. N.J.S.A. 43:3B-8.

The survivorship benefit would be reduced because a widow or widower would be entitled either to the new benefit of 35% of the spouse's average final compensation, if the new benefit exceeds what the widow or widower currently receives, or the difference between the new benefit and the old benefit plus annual cost of living adjustments, if the new benefit is less than the amount the widow or widower currently receives. Under current law, a widow or widower could not receive the new benefit plus cost of living adjustments from the date of the spouse's retirement. I recommend that the bill be amended to ensure that this provision of current law will not apply to the benefit that widows and widowers of PFRS members will receive under this act, so they may receive the benefit provided by this act plus annual cost of living adjustments from the date of the spouse's retirement.

Finally, I recommend that the Assembly and Senate amendments to Assembly Bill No. 803 (2nd OCR) be deleted.

The bill was amended in Assembly Committee to make the benefit apply retroactively to January 1, 1985. I recommend that the amendment be deleted, as I have not been presented with a specific reason for the amendment. The amendment is also inconsistent with the purpose of Assembly Bill No. 803 (2nd OCR), which is to provide a prospective benefit for widows and widowers of PFRS members.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

3

The Senate amendment requiring the State to reimburse local governments for the additional pension cost arising from the benefit provided by Assembly Bill No. 803 (2nd OCR) is unacceptable. The survivorship benefit paid to widows and widowers of PFRS members who were employed by local governments is the responsibility of each local government. Shifting the cost to the State is unjustified and sets an undesirable precedent.

Accordingly, I return Assembly Bill No. 803 (2nd OCR) and recommend that it be amended as follows:

Page 1, Title, Line 3: After "250" insert "and supplementing P.L. 1958, c.143 (C:43:3B-1 et seq.)"

Page 1, Section 1, Line 5: Delete "50%" insert "35%"

Page 2, Section 1, Lines 26-29: Delete in its entirety

Page 2, Section 1, After Line 29: Insert new section 2 as follows:

"2. (new section) The provisions of section 7 of P.L. 1969, c.169 (C.43:3B-8) shall not apply to section 26 of P.L. 1967, c.250 (C.43:16A-12.1) as amended by this 1985 amendatory and supplementary act, and the annual cost of living adjustment received by widows and widowers under P.L. 1958, c.143 (C.43:3B-1 et seq.) as amended and supplemented by P.L. 1969, c.169 shall be calculated as of the date of retirement of the member of the retirement system."

Page 2, Section 2, Line 1: Delete "2" insert "3"

Page 2, Section 2, Lines 1-2: Delete "and shall apply retroactively to January 1, 1985"

Respectfully,
/s/ Thomas H. Kean
GOVERNOR

[seal]

Attest:

/s/ W. Cary Edwards
Chief Counsel

Bills Signed
Page 2
December 23, 1985

S-2690, sponsored by State Senator Raymond Lesniak, D-Union, which exempts certain certified shorthand reporters from coverage under the Unemployment Compensation Law.

A-803, sponsored by Assemblyman Vincent O. Pellecchia, D-Passaic, which increases the benefit paid to the survivor of a member of the Police and Firemen's Retirement System.

A-1447, sponsored by Assemblyman Joseph Charles, Jr., D-Hudson, which establishes a commission on vocational and technical training in State correctional institutions.

A-2246, sponsored by Assemblyman John Paul Doyle, D-Ocean, which permits associations for the moral and mental improvement of men, women and children (such as the Boy Scouts, Girl Scouts) to rent space within their buildings while retaining their tax-exempt status.

AJR-56, sponsored by Assemblyman Joseph V. Doria, Jr., D-Hudson, which will require the Commissioner of Education to develop guidelines to assist local school districts who want to develop programs to teach young people to protect themselves from being abducted.

A-548, sponsored by Assemblyman Martin A. Herman, D-Salem, which controls smoking in government buildings.

A-569, sponsored by Assemblywoman Maria S. Muhler, R-Monmouth, which amends State pension systems to require that a spouse approve a member's decision to receive his or her retirement allowance only during the member's lifetime.

A-2026, sponsored by Assemblywoman Barbara F. Kalik, D-Burlington, designated the South Jersey Food Distribution Authority Law.

#