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

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**REPORTS:** No

**HEARINGS:** No

**NEWSPAPER ARTICLES:** Yes

"Workers' Compensation bill for surviving spouses of dead police and firefighters signed into law,"  
South Jersey Times, 6-14-13.

LAW/RWH

P.L.2013, CHAPTER 62, *approved June 13, 2013*  
Senate, No. 1469 (*First Reprint*)

1 AN ACT concerning workers' compensation for the surviving  
2 spouses of certain deceased members of fire and police  
3 departments and the State Police and amending R.S.34:15-13.  
4

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

7  
8 1. R.S.34:15-13 is amended to read as follows:

9 34:15-13. Except as hereinafter provided, in case of death,  
10 compensation shall be computed, but not distributed, on the  
11 following basis:

12 a. For one or more dependents, 70% of wages.

13 b. (Deleted by amendment, P.L.2003, c.253).

14 c. (Deleted by amendment, P.L.2003, c.253).

15 d. (Deleted by amendment, P.L.2003, c.253).

16 e. (Deleted by amendment, P.L.2003, c.253).

17 f. The term "dependents" shall apply to and include any or all of  
18 the following who are dependent upon the deceased at the time of  
19 accident or the occurrence of occupational disease, or at the time of  
20 death, namely: husband, wife, parent, stepparents, grandparents,  
21 children, stepchildren, grandchildren, child in esse, posthumous  
22 child, illegitimate children, brothers, sisters, half brothers, half  
23 sisters, niece, nephew. Legally adopted children shall, in every  
24 particular, be considered as natural children. Dependency shall be  
25 conclusively presumed as to the decedent's spouse and to any  
26 natural child of a decedent under 18 years of age or, if enrolled as a  
27 full-time student, under 23 years of age, who was actually a part of  
28 the decedent's household at the time of the decedent's death. Every  
29 provision of this article applying to one class shall be equally  
30 applicable to the other, except for the surviving spouses of members  
31 of the State Police or members of fire or police departments or  
32 forces who die in line of duty. Should any dependent of a deceased  
33 employee die during the period covered by such weekly payments  
34 the right of such dependent to compensation under this section shall  
35 cease, but should the surviving spouse of a deceased employee,  
36 other than the surviving spouse of a deceased member of the State  
37 Police or member of a fire or police department or force who died  
38 in line of duty, remarry during such period and before the total  
39 compensation is paid, the spouse shall be entitled to receive the  
40 remainder of the compensation which would have been due the  
41 spouse had the spouse not remarried, or 100 times the amount 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 underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SBA committee amendments adopted September 20, 2012.

1 weekly compensation paid immediately preceding the remarriage,  
2 whichever is the lesser. If the deceased was a member of the State  
3 Police or member of a fire or police department or force who died  
4 in the line of duty, the compensation shall be paid to the surviving  
5 spouse during the entire period of survivorship, even if the  
6 surviving spouse remarries<sup>1</sup>, but the surviving spouse shall not  
7 receive a lump sum payment pursuant to this subsection<sup>1</sup>. The  
8 foregoing schedule applies only to persons wholly dependent, and  
9 in the case of persons only partially dependent, except in the case of  
10 the surviving spouse and children who were actually a part of the  
11 decedent's household at the time of death, the compensation shall be  
12 such proportion of the scheduled percentage as the amounts actually  
13 contributed to them by the deceased for their support constituted of  
14 his total wages and the provision as to a minimum of 20% of the  
15 average weekly wage as set forth in subsection a. of R.S.34:15-12  
16 shall not apply to such compensation. In determining the number of  
17 dependents, where the deceased employee was a minor, the number  
18 of persons dependent upon the deceased employee shall be  
19 determined in the same way as if the deceased employee were an  
20 adult, notwithstanding any rule of law as to the person entitled to a  
21 minor's wages. <sup>1</sup>Nothing in this subsection pertaining to the  
22 surviving spouse of a member of the State Police or member of a  
23 fire or police department or force who died in the line of duty shall  
24 be construed to entitle the surviving spouse to resumed payments of  
25 compensation if that surviving spouse received a lump sum payment  
26 pursuant to this subsection or remarried prior to the effective date of  
27 P.L. c. (pending before the Legislature as this bill).<sup>1</sup>

28 g. Compensation shall be computed upon the foregoing basis.  
29 Distribution shall be made among dependents, if more than one,  
30 according to the order of the Division of Workers' Compensation,  
31 which shall, when applied to for that purpose, determine, upon the  
32 facts being presented to it, the proportion to be paid to or on behalf  
33 of each dependent according to the relative-dependency. Payment  
34 on behalf of infants shall be made to the surviving parent, if any, or  
35 to the statutory or testamentary guardian.

36 h. If death results from the accident or occupational disease,  
37 whether there be dependents or not, expenses of the last sickness of  
38 the deceased employee shall be paid in accordance with the  
39 provisions for medical and hospital service as set forth in  
40 R.S.34:15-15. In addition, the cost of burial and of a funeral, not to  
41 exceed \$3,500 shall be paid to the dependent or other person having  
42 paid the costs of burial and the funeral. In the event that the  
43 dependent or other person has paid less than \$3,500 for the costs of  
44 burial and the funeral, the dependent or other person shall be  
45 reimbursed in the amount paid and, if the costs of burial and the  
46 funeral exceed the amount so paid, the difference between the said  
47 amount and \$3,500 or so much thereof as may be necessary to pay  
48 the cost of burial and the funeral, shall be paid to the undertaker or

1 embalmer or the dependent or other person having paid the costs of  
2 burial and the funeral. In the event that no part of the costs of  
3 burial and the funeral have been paid, the amount of such cost of  
4 burial and the funeral, not to exceed \$3,500, shall be paid to the  
5 undertaker or embalmer or the dependent or other person who is to  
6 pay the costs of burial and the funeral.

7 i. In computing compensation to those named in this section,  
8 except husband, wife, parents and stepparents, and except as  
9 otherwise provided in this section, only those under 18 or over 40  
10 years of age shall be included and then only for that period in which  
11 they are under 18 or over 40; provided, however, that payments to  
12 such physically or mentally deficient persons as are for such reason  
13 dependent shall be made during the full compensation period of 450  
14 weeks.

15 j. The maximum compensation in case of death shall be subject  
16 to the maximum compensation as stated in subsection a. of  
17 R.S.34:15-12 and a minimum of 20% of average weekly wages per  
18 week as set forth in subsection a. of R.S.34:15-12, except in the  
19 case of partial dependency as provided in this section. This  
20 compensation shall be paid, in the case of a surviving spouse, other  
21 than a surviving spouse of a member of the State Police or member  
22 of a fire or police department or force who died in the line of duty,  
23 during the entire period of survivorship or until such surviving  
24 spouse shall remarry and, in the case of other dependents, during  
25 450 weeks and if at the expiration of 450 weeks there shall be one  
26 or more dependents under 18 years of age, compensation shall be  
27 continued for such dependents until they reach 18 years of age, or  
28 23 years of age while enrolled as a full-time student, at the schedule  
29 provided under subsection a. of this section. If the deceased was a  
30 member of the State Police or member of a fire or police department  
31 or force who died in the line of duty, the compensation shall be paid  
32 to the surviving spouse during the entire period of survivorship,  
33 even if the surviving spouse remarries<sup>1</sup>, but the surviving spouse  
34 shall not receive a lump sum payment pursuant to subsection f. of  
35 this section<sup>1</sup>.

36 (cf: P.L.2003, c.253, s.1)

37

38 2. This act shall take effect immediately.

39

40

41

42

43 Provides surviving spouses of certain fire and police personnel  
44 who die in line of duty with workers' compensation for entire period  
45 of survivorship.

# SENATE, No. 1469

## STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED FEBRUARY 6, 2012

**Sponsored by:**

**Senator FRED H. MADDEN, JR.**

**District 4 (Camden and Gloucester)**

**Senator STEPHEN M. SWEENEY**

**District 3 (Cumberland, Gloucester and Salem)**

**Co-Sponsored by:**

**Senators Weinberg, Vitale and Beck**

**SYNOPSIS**

Provides surviving spouses of certain fire and police personnel who die in line of duty with workers' compensation for entire period of survivorship.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 9/21/2012)**

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2 spouses of certain deceased members of fire and police  
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5 **BE IT ENACTED** by the Senate and General Assembly of the State  
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17 f. The term "dependents" shall apply to and include any or all of  
18 the following who are dependent upon the deceased at the time of  
19 accident or the occurrence of occupational disease, or at the time of  
20 death, namely: husband, wife, parent, stepparents, grandparents,  
21 children, stepchildren, grandchildren, child in esse, posthumous  
22 child, illegitimate children, brothers, sisters, half brothers, half  
23 sisters, niece, nephew. Legally adopted children shall, in every  
24 particular, be considered as natural children. Dependency shall be  
25 conclusively presumed as to the decedent's spouse and to any  
26 natural child of a decedent under 18 years of age or, if enrolled as a  
27 full-time student, under 23 years of age, who was actually a part of  
28 the decedent's household at the time of the decedent's death. Every  
29 provision of this article applying to one class shall be equally  
30 applicable to the other, except for the surviving spouses of members  
31 of the State Police or members of fire or police departments or  
32 forces who die in line of duty. Should any dependent of a deceased  
33 employee die during the period covered by such weekly payments  
34 the right of such dependent to compensation under this section shall  
35 cease, but should the surviving spouse of a deceased employee,  
36 other than the surviving spouse of a deceased member of the State  
37 Police or member of a fire or police department or force who died  
38 in line of duty, remarry during such period and before the total  
39 compensation is paid, the spouse shall be entitled to receive the  
40 remainder of the compensation which would have been due the  
41 spouse had the spouse not remarried, or 100 times the amount of  
42 weekly compensation paid immediately preceding the remarriage,  
43 whichever is the lesser. If the deceased was a member of the State  
44 Police or member of a fire or police department or force who died  
45 in the line of duty, the compensation shall be paid to the surviving

**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 spouse during the entire period of survivorship, even if the  
2 surviving spouse remarries. The foregoing schedule applies only to  
3 persons wholly dependent, and in the case of persons only partially  
4 dependent, except in the case of the surviving spouse and children  
5 who were actually a part of the decedent's household at the time of  
6 death, the compensation shall be such proportion of the scheduled  
7 percentage as the amounts actually contributed to them by the  
8 deceased for their support constituted of his total wages and the  
9 provision as to a minimum of 20% of the average weekly wage as  
10 set forth in subsection a. of R.S.34:15-12 shall not apply to such  
11 compensation. In determining the number of dependents, where the  
12 deceased employee was a minor, the number of persons dependent  
13 upon the deceased employee shall be determined in the same way as  
14 if the deceased employee were an adult, notwithstanding any rule of  
15 law as to the person entitled to a minor's wages.

16 g. Compensation shall be computed upon the foregoing basis.  
17 Distribution shall be made among dependents, if more than one,  
18 according to the order of the Division of Workers' Compensation,  
19 which shall, when applied to for that purpose, determine, upon the  
20 facts being presented to it, the proportion to be paid to or on behalf  
21 of each dependent according to the relative-dependency. Payment  
22 on behalf of infants shall be made to the surviving parent, if any, or  
23 to the statutory or testamentary guardian.

24 h. If death results from the accident or occupational disease,  
25 whether there be dependents or not, expenses of the last sickness of  
26 the deceased employee shall be paid in accordance with the  
27 provisions for medical and hospital service as set forth in  
28 R.S.34:15-15. In addition, the cost of burial and of a funeral, not to  
29 exceed \$3,500 shall be paid to the dependent or other person having  
30 paid the costs of burial and the funeral. In the event that the  
31 dependent or other person has paid less than \$3,500 for the costs of  
32 burial and the funeral, the dependent or other person shall be  
33 reimbursed in the amount paid and, if the costs of burial and the  
34 funeral exceed the amount so paid, the difference between the said  
35 amount and \$3,500 or so much thereof as may be necessary to pay  
36 the cost of burial and the funeral, shall be paid to the undertaker or  
37 embalmer or the dependent or other person having paid the costs of  
38 burial and the funeral. In the event that no part of the costs of  
39 burial and the funeral have been paid, the amount of such cost of  
40 burial and the funeral, not to exceed \$3,500, shall be paid to the  
41 undertaker or embalmer or the dependent or other person who is to  
42 pay the costs of burial and the funeral.

43 i. In computing compensation to those named in this section,  
44 except husband, wife, parents and stepparents, and except as  
45 otherwise provided in this section, only those under 18 or over 40  
46 years of age shall be included and then only for that period in which  
47 they are under 18 or over 40; provided, however, that payments to  
48 such physically or mentally deficient persons as are for such reason



1 dependent shall be made during the full compensation period of 450  
2 weeks.

3 j. The maximum compensation in case of death shall be subject  
4 to the maximum compensation as stated in subsection a. of  
5 R.S.34:15-12 and a minimum of 20% of average weekly wages per  
6 week as set forth in subsection a. of R.S.34:15-12, except in the  
7 case of partial dependency as provided in this section. This  
8 compensation shall be paid, in the case of a surviving spouse, other  
9 than a surviving spouse of a member of the State Police or member  
10 of a fire or police department or force who died in the line of duty,  
11 during the entire period of survivorship or until such surviving  
12 spouse shall remarry and, in the case of other dependents, during  
13 450 weeks and if at the expiration of 450 weeks there shall be one  
14 or more dependents under 18 years of age, compensation shall be  
15 continued for such dependents until they reach 18 years of age, or  
16 23 years of age while enrolled as a full-time student, at the schedule  
17 provided under subsection a. of this section. If the deceased was a  
18 member of the State Police or member of a fire or police department  
19 or force who died in the line of duty, the compensation shall be  
20 paid to the surviving spouse during the entire period of  
21 survivorship, even if the surviving spouse remarries.

22 (cf: P.L.2003, c.253, s.1)

23

24 2. This act shall take effect immediately.

25

26

27

#### STATEMENT

28

29 This bill provides workers' compensation benefits to surviving  
30 spouses of members of the State Police or members of fire or police  
31 departments or forces who die in the line of duty during the entire  
32 period of their survivorship, even if the spouse remarries. Currently,  
33 surviving spouses of deceased members of the State Police or  
34 members of fire or police departments or forces, like other surviving  
35 spouses, receive a lump sum upon any remarriage which occurs during  
36 the first 450 weeks of benefits. Under the bill, a surviving spouse of a  
37 State trooper or member of a fire or police department or force who  
38 died in the line of duty will not receive the lump sum upon remarriage  
39 occurring during the first 450 weeks of benefits like the spouses of  
40 other workers killed on the job, but will instead continue to receive  
41 weekly workers' compensation benefits as long as the spouse lives,  
42 even after remarriage and even if the remarriage occurs after the first  
43 450 weeks of benefits.

**LEGISLATIVE FISCAL ESTIMATE**  
**SENATE, No. 1469**  
**STATE OF NEW JERSEY**  
**215th LEGISLATURE**

DATED: SEPTEMBER 12, 2012

**SUMMARY**

- Synopsis:** Provides surviving spouses of certain fire and police personnel who die in the line of duty with workers' compensation for entire period of survivorship.
- Type of Impact:** Indeterminate expenditure increase: State General Fund; Local Government funds
- Agencies Affected:** Department of the Treasury, local government entities.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	
<b>State Cost</b>	Indeterminate – See comments below
<b>Local Cost</b>	Indeterminate – See comments below

- The Office of Legislative Services (OLS) estimates that this bill could have long term costs of an indeterminate amount to the State General Fund for payments to surviving spouses of State troopers and State firefighters.
- With respect to the surviving spouses of local fire and police personnel who die in the line of duty, it is estimated that the bill could have long term costs of an indeterminate amount to local government entities.
- The OLS notes that this bill may be considered a State mandate under Article VIII, Section II, paragraph 4 of the New Jersey State Constitution “State Mandate, State Pay” because it requires local entities that fund fire or police departments or forces to provide workers’ compensation death benefits to surviving spouses for the entire period of survivorship.

**BILL DESCRIPTION**

Senate Bill No. 1469 of 2012 provides workers' compensation benefits to surviving spouses of members of the State Police, State firefighters, and members of local fire or police

departments or forces who die in the line of duty during the entire period of the spouse's survivorship, even if the spouse remarries. Currently, surviving spouses of deceased members of the State Police, State firefighters or members of local fire or police departments, like other surviving spouses under workers' compensation, receive a lump sum payment, upon remarriage, of 100 times the amount of weekly compensation paid immediately preceding the remarriage. Under the bill, a surviving spouse of a State trooper, State firefighter or member of a local fire or police department or force who died in the line of duty will continue to receive weekly workers' compensation benefits as long as the surviving spouse lives, regardless of marital status.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS estimates that this bill could have long term costs of an indeterminate amount to the State General Fund and to local governments. The OLS cannot determine the total cost of the bill due to: (1) an uncertainty in the total number of future eligible surviving spouses; and (2) the fact that local workers' compensation benefits are paid by the workers' compensation insurer, so that the cost will be recovered from local governmental entities in the form of increased premiums, not directly in the form of benefit payments. The State self insures for workers' compensation and thus any increased cost will directly impact the General Fund. While the OLS cannot determine the total cost of the bill, following is information that may be helpful to understand the financial impact of this legislation, including: a brief history of workers' compensation benefits for surviving spouses, an estimate of the lifetime cost of this benefit for each surviving spouse, the current surviving spouse population and a rationale on determining the future surviving spouse population.

Prior to 1966, surviving spouses received workers compensation benefits for up to 350 weeks. In 1966, State law was amended to provide workers' compensation benefits to spouses for the entire time of survivorship, but after 450 weeks the benefits were adjusted to include an offset for any salary the surviving spouse may have earned. In 1990, the law was amended to its current form and workers' compensation benefits were extended to the entire time of survivorship, regardless of the survivor's income. However, the benefit is discontinued if the spouse remarries and instead the spouse is eligible for a one time payment of 100 times the weekly benefit at remarriage.

In order to better understand the potential financial impact of Senate Bill No. 1469, it is useful to estimate the cost of providing lifetime benefits to one survivor. The estimated cost of providing benefits for one survivor, of a death occurring in 2012, is \$1.85 million. This cost is calculated by first determining that the maximum 2012 workers' compensation benefit rate for a surviving spouse is \$810 a week, or approximately \$42,120 a year, for the period of survivorship, unless the spouse remarries. Furthermore, the average age of death for a State trooper killed in the line of duty has been 30 years old. The average difference in age for married couples is two years in the United States (United States Census, 2000). The average life expectancy for a female is 80 years (CIA World Fact Book, 2007). Thus, the estimate is based on a 28 year old woman who would live to be 80 years old. Benefits to such a surviving spouse would cost \$42,120 annually for 44 years, or approximately \$1.85 million over her lifetime. Of

course, under existing law, the State or local entity already would pay this amount for the entire period of survivorship in most instances, unless the surviving spouse chooses to remarry. Senate Bill No. 1469 would only have increased costs for the State or local unit associated with those surviving spouses who do remarry, which as is illustrated in this estimate is a small percentage of a small population.

The exact population of surviving spouses is difficult to determine; however, according to the New Jersey State Police Survivors of the Triangle there have been 21 State police survivor spouses since 1966. The Division of Fire Safety reports that there have been no deaths of State firefighters and there were approximately 43 local firefighter survivor spouses between 1998 and 2008. According to Garden State Concerns of Police Survivors (COPS), there were 53 local survivor spouses between 1984 and 2008.

It is also useful to understand the population of surviving spouses who remarry since, upon remarriage, the surviving spouse no longer collects workers' compensation benefits. According to Survivors of the Triangle, six of the 21 (28 percent) State police surviving spouses since 1966 have remarried and, according to Garden State COPS, seven of the 53 (13 percent) local police surviving spouses between 1984 and 2008 have remarried. We are unable to determine this information for local firefighters. It cannot be determined to what extent the potential loss of benefits is affecting the decision to remarry and what the behavior of the surviving spouses will be if Senate Bill No. 1469 is enacted.

To ascertain the future number of surviving spouses requires extrapolating from the historical death rates for State troopers, State firefighters, local police officers and firefighters and their marriage status. On average, a State trooper dies in the line of duty once every 1.4 years and approximately three local police officers and four local firefighters die per year. Historically, almost all of the State troopers and local firefighters, and approximately 75 percent of the local police officers were married, and left surviving spouses. Therefore, using this projection, in ten years there will be approximately seven State police, 23 local police and 40 local firefighter surviving spouses. It is rare for a State firefighter to die in the line of duty and thus they are not included in this estimate.

The State's cost of providing benefits is different than local units. The State is a self insurer and provides for the cost of workers' compensation benefits through a General Fund appropriation. Local government entities purchase workers' compensation insurance through joint insurance funds. Therefore, the cost of providing the benefit would be in any increased premiums, not in the direct payment of benefits.

In summary, this legislation, if enacted, will have indeterminate costs to the State General Fund and to local government entities. These costs are difficult to determine and are dependent upon many variables. The OLS has noted several factors that relate to these costs, including: the current lifetime cost to the State or local government of these benefits for each surviving spouse; the number of current surviving spouses; the current rate of remarriage; and the population of surviving spouses in the future.

*Section: Commerce, Labor and Industry*

*Analyst: Robin C. Ford  
Senior Fiscal Analyst*

*Approved: David J. Rosen  
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 (C.52:13B-6 et seq.).

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### **SENATE, No. 1469**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: SEPTEMBER 20, 2012

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1469, with committee amendments.

As amended, this bill provides workers' compensation benefits to surviving spouses of members of the State Police or members of fire or police departments or forces who die in the line of duty during the entire period of their survivorship, even if the spouse remarries.

Currently, surviving spouses of deceased members of the State Police or members of fire or police departments or forces, like other surviving spouses, receive a lump sum (equal to 100 times the weekly benefit amount) upon any remarriage which occurs during the first 450 weeks of benefits. Under the bill, a surviving spouse of a State trooper or member of a fire or police department or force who died in the line of duty will continue to receive weekly workers' compensation benefits as long as the surviving spouse lives, regardless of remarriage.

The provisions of the bill do not apply to a surviving spouse of a member of the State Police or member of a fire or police department or force who died in the line of duty if that surviving spouse received a lump sum payment or remarried prior to the effective date of the bill.

#### COMMITTEE AMENDMENTS:

These amendments clarify that the changes proposed under the bill are not intended to be retroactive and pursuant to the bill surviving spouses of a member of the State Police or member of a fire or police department or force who died in the line of duty are not eligible for a lump sum payment upon remarriage.

Any surviving spouses currently receiving workers' compensation dependent benefits are eligible to remarry and continue to receive these benefits, but any surviving spouses who have already remarried as of the date of enactment will not be eligible for continued benefits pursuant to this bill.

#### FISCAL IMPACT:

The OLS estimates that this bill could have long term costs of an indeterminate amount to the State General Fund and to local governments. The OLS cannot determine the total cost of the bill due

to: (1) an uncertainty in the total number of future eligible surviving spouses; and (2) the fact that local workers' compensation benefits are paid by the workers' compensation insurer, so that the cost will be recovered from local governmental entities in the form of increased premiums, not directly in the form of benefit payments. The State self insures for workers' compensation and thus any increased cost will directly impact the General Fund.

The OLS further notes that this bill may be considered a State mandate under Article VIII, Section II, paragraph 4 of the New Jersey State Constitution "State Mandate, State Pay" because it requires local entities that fund fire or police departments or forces to provide workers' compensation death benefits to surviving spouses for the entire period of survivorship.

While the fiscal impact the bill is indeterminate, to better understand its potential impact, the OLS has projected the cost of providing lifetime benefits to one survivor. For a death occurring in 2012, this cost is estimated at \$1.85 million based upon the maximum 2012 workers' compensation benefit rate for a surviving spouse of \$810 a week, or approximately \$42,120 a year, for the period of survivorship, unless the spouse remarries, and demographic data which indicate: (1) the average age of death for a State trooper killed in the line of duty has been 30 years old; (2) the average difference in age for married couples is two years in the United States (United States Census, 2000); and (3) the average life expectancy for a female is 80 years (CIA World Fact Book, 2007). Thus, the \$1.85 million estimate is based on a 28 year old woman who would receive \$42,120 annually for 44 years until 80 years of age. Of course, under existing law, the State or local entity already pays this amount for the entire period of survivorship in most instances, unless the surviving spouse chooses to remarry. This bill would only have increased costs for the State or local unit associated with those surviving spouses who do remarry, currently a small percentage of the population.

The exact population of surviving spouses is difficult to determine; however, according to the New Jersey State Police Survivors of the Triangle there have been 21 State police survivor spouses since 1966. The Division of Fire Safety reports that there have been no deaths of State firefighters and there were approximately 43 local firefighter survivor spouses between 1998 and 2008. According to Garden State Concerns of Police Survivors (COPS), there were 53 local survivor spouses between 1984 and 2008.

It is also useful to understand the population of surviving spouses who remarry since, upon remarriage, the surviving spouse no longer collects workers' compensation benefits. According to Survivors of the Triangle, six of the 21 (28 percent) State police surviving spouses since 1966 have remarried and, according to Garden State COPS, seven of the 53 (13 percent) local police surviving spouses between 1984 and 2008 have remarried. The OLS is unable to determine this

information for local firefighters. It cannot be determined to what extent the potential loss of benefits is affecting the decision to remarry and what the behavior of the surviving spouses will be if this legislation is enacted.

To ascertain the future number of surviving spouses requires extrapolating from the historical death rates for State troopers, State firefighters, local police officers and firefighters and their marriage status. On average, a State trooper dies in the line of duty once every 1.4 years and approximately three local police officers and four local firefighters die per year. Historically, almost all of the State troopers and local firefighters, and approximately 75 percent of the local police officers were married, and left surviving spouses. Therefore, using this projection, in ten years there will be approximately seven State police, 23 local police and 40 local firefighter surviving spouses. It is rare for a State firefighter to die in the line of duty and thus they are not included in this estimate.

The State's cost of providing benefits is different than local units. The State is a self insurer and provides for the cost of workers' compensation benefits through a General Fund appropriation. Local government entities purchase workers' compensation insurance through joint insurance funds. Therefore, the cost of providing the benefit would be in any increased premiums, not in the direct payment of benefits.

In summary, this legislation, if enacted, will have indeterminate costs to the State General Fund and to local government entities. These costs are difficult to determine and are dependent upon many variables. The OLS has noted several factors that relate to these costs, including: the current lifetime cost to the State or local government of these benefits for each surviving spouse; the number of current surviving spouses; the current rate of remarriage; and the population of surviving spouses in the future.



# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## SENATE, No. 1469

### STATE OF NEW JERSEY 215th LEGISLATURE

DATED: OCTOBER 5, 2012

#### SUMMARY

- Synopsis:** Provides surviving spouses of certain fire and police personnel who die in the line of duty with workers' compensation for entire period of survivorship.
- Type of Impact:** Indeterminate expenditure increase: State General Fund; Local Government funds
- Agencies Affected:** Department of Treasury, local government entities.

#### Office of Legislative Services Estimate

Fiscal Impact	
State Cost	Indeterminate – See comments below
Local Cost	Indeterminate – See comments below

- The Office of Legislative Services (OLS) estimates that this bill could have long term costs of an indeterminate amount to the State General Fund for payments to surviving spouses of State troopers and State firefighters.
- With respect to the surviving spouses of local fire and police personnel who die in the line of duty, it is estimated that the bill could have long term costs of an indeterminate amount to local government entities.
- The OLS notes that this bill may be considered a State mandate under Article VIII, Section II, paragraph four of the New Jersey State Constitution “State Mandate, State Pay” because it requires local entities that fund fire or police departments or forces to provide workers’ compensation death benefits to surviving spouses for the entire period of survivorship.

## **BILL DESCRIPTION**

Senate Bill No. 1469 (1R) of 2012 provides workers' compensation benefits to surviving spouses of members of the State Police, State firefighters, and members of local fire or police departments or forces who die in the line of duty during the entire period of the spouse's survivorship, even if the spouse remarries. Currently, surviving spouses of deceased members of the State Police, State firefighters or members of local fire or police departments, like other surviving spouses under workers' compensation, receive a lump sum payment, upon remarriage, of 100 times the amount of weekly compensation paid immediately preceding the remarriage. Under the bill, a surviving spouse of a State trooper, State firefighter or member of a local fire or police department or force who died in the line of duty will continue to receive weekly workers' compensation benefits as long as the surviving spouse lives, regardless of marital status, but will not receive a lump sum payment upon remarriage.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS estimates that this bill could have long term costs of an indeterminate amount to the State General Fund and to local governments. The OLS cannot determine the total cost of the bill due to: (1) an uncertainty in the total number of future eligible surviving spouses; and (2) the fact that local workers' compensation benefits are paid by the workers' compensation insurer, so that the cost will be recovered from local governmental entities in the form of increased premiums, not directly in the form of benefit payments. The State self insures for workers' compensation and thus any increased cost will directly impact the General Fund. While the OLS cannot determine the total cost of the bill, following is information that may be helpful to understand the financial impact of this legislation, including: a brief history of workers' compensation benefits for surviving spouses, an estimate of the lifetime cost of this benefit for each surviving spouse, the current surviving spouse population and a rationale on determining the future surviving spouse population.

Prior to 1966, surviving spouses received workers compensation benefits for up to 350 weeks. In 1966, State law was amended to provide workers' compensation benefits to spouses for the entire time of survivorship, but after 450 weeks the benefits were adjusted to include an offset for any salary the surviving spouse may have earned. In 1990, the law was amended to its current form and workers' compensation benefits were extended to the entire time of survivorship, regardless of the survivor's income. However, the benefit is discontinued if the spouse remarries and instead the spouse is eligible for a one time payment of 100 times the weekly benefit at remarriage.

In order to better understand the potential financial impact of Senate Bill No. 1469 (1R), it is useful to estimate the cost of providing lifetime benefits to one survivor. The estimated cost of providing benefits for one survivor, of a death occurring in 2012, is \$1.85 million. This cost is calculated by first determining that the maximum 2012 workers' compensation benefit rate for a surviving spouse is \$810 a week, or approximately \$42,120 a year, for the period of survivorship, unless the spouse remarries. Furthermore, the average age of death for a State

trooper killed in the line of duty has been 30 years old. The average difference in age for married couples is two years in the United States (United States Census, 2000). The average life expectancy for a female is 80 years (CIA World Fact Book, 2007). Thus, the estimate is based on a 28 year old woman who would live to be 80 years old. Benefits to such a surviving spouse would cost \$42,120 annually for 44 years, or approximately \$1.85 million over her lifetime. Of course, under existing law, the State or local entity already would pay this amount for the entire period of survivorship in most instances, unless the surviving spouse chooses to remarry. Senate Bill No. 1469 (1R) would only have increased costs for the State or local unit associated with those surviving spouses who do remarry, which as is illustrated in this estimate is a small percentage of a small population.

The exact population of surviving spouses is difficult to determine; however, according to the New Jersey State Police Survivors of the Triangle there have been 21 State police survivor spouses since 1966. The Division of Fire Safety reports that there have been no deaths of State firefighters and there were approximately 43 local firefighter survivor spouses between 1998 and 2008. According to Garden State Concerns of Police Survivors (COPS), there were 53 local survivor spouses between 1984 and 2008.

It is also useful to understand the population of surviving spouses who remarry since, upon remarriage, the surviving spouse no longer collects workers' compensation benefits. According to Survivors of the Triangle, six of the 21 (28 percent) State police surviving spouses since 1966 have remarried and, according to Garden State COPS, seven of the 53 (13 percent) local police surviving spouses between 1984 and 2008 have remarried. We are unable to determine this information for local firefighters. It cannot be determined to what extent the potential loss of benefits is affecting the decision to remarry and what the behavior of the surviving spouses will be if Senate Bill No. 1469 (1R) is enacted.

To ascertain the future number of surviving spouses requires extrapolating from the historical death rates for State troopers, State firefighters, local police officers and firefighters and their marriage status. On average, a State trooper dies in the line of duty once every 1.4 years and approximately three local police officers and four local firefighters die per year. Historically, almost all of the State troopers and local firefighters, and approximately 75 percent of the local police officers were married, and left surviving spouses. Therefore, using this projection, in ten years there will be approximately seven State police, 23 local police and 40 local firefighter surviving spouses. It is rare for a State firefighter to die in the line of duty and thus they are not included in this estimate.

The State's cost of providing benefits is different than local units. The State is a self insurer and provides for the cost of workers' compensation benefits through a General Fund appropriation. Local government entities purchase workers' compensation insurance through joint insurance funds. Therefore, the cost of providing the benefit would be in any increased premiums, not in the direct payment of benefits.

In summary, this legislation, if enacted, will have indeterminate costs to the State General Fund and to local government entities. These costs are difficult to determine and are dependent upon many variables. OLS has noted several factors that relate to these costs, including: the current lifetime cost to the State or local government of these benefits for each surviving spouse; the number of current surviving spouses; the current rate of remarriage; and the population of surviving spouses in the future.

*Section: Commerce, Labor and Industry*

*Analyst: Robin C. Ford*  
*Senior Fiscal Analyst*

*Approved: David J. Rosen*  
*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 (C.52:13B-6 et seq.).

# ASSEMBLY LABOR COMMITTEE

## STATEMENT TO

[First Reprint]

**SENATE, No. 1469**

# STATE OF NEW JERSEY

DATED: DECEMBER 10, 2012

The Assembly Labor Committee reports favorably Senate Bill No. 1469 (1R).

This bill provides workers' compensation benefits to surviving spouses of members of the State Police or members of fire or police departments or forces who die in the line of duty during the entire period of their survivorship, even if the spouse remarries.

Currently, surviving spouses of deceased members of the State Police or members of fire or police departments or forces, like other surviving spouses, receive a lump sum (equal to 100 times the weekly benefit amount) upon any remarriage which occurs during the first 450 weeks of benefits. Under the bill, a surviving spouse of a State trooper or member of a fire or police department or force who died in the line of duty will continue to receive weekly workers' compensation benefits as long as the surviving spouse lives, regardless of remarriage.

The provisions of the bill do not apply to a surviving spouse of a member of the State Police or member of a fire or police department or force who died in the line of duty if that surviving spouse received a lump sum payment or remarried prior to the effective date of the bill.

### FISCAL IMPACT:

The OLS estimates that this bill could have long term costs of an indeterminate amount to the State General Fund and to local governments. The OLS cannot determine the total cost of the bill due to: (1) an uncertainty in the total number of future eligible surviving spouses; and (2) the fact that local workers' compensation benefits are paid by the workers' compensation insurer, so that the cost will be recovered from local governmental entities in the form of increased premiums, not directly in the form of benefit payments. The State self insures for workers' compensation and thus any increased cost will directly impact the General Fund.

The OLS further notes that this bill may be considered a State mandate under Article VIII, Section II, paragraph 4 of the New Jersey State Constitution "State Mandate, State Pay" because it requires local entities that fund fire or police departments or forces to provide

workers' compensation death benefits to surviving spouses for the entire period of survivorship.

While the fiscal impact of the bill is indeterminate, to better understand its potential impact, the OLS has projected the cost of providing lifetime benefits to one survivor. For a death occurring in 2012, this cost is estimated at \$1.85 million based upon the maximum 2012 workers' compensation benefit rate for a surviving spouse of \$810 a week, or approximately \$42,120 a year, for the period of survivorship, unless the spouse remarries, and demographic data which indicate: (1) the average age of death for a State trooper killed in the line of duty has been 30 years old; (2) the average difference in age for married couples is two years in the United States (United States Census, 2000); and (3) the average life expectancy for a female is 80 years (CIA World Fact Book, 2007). Thus, the \$1.85 million estimate is based on a 28 year old woman who would receive \$42,120 annually for 44 years until 80 years of age. Of course, under existing law, the State or local entity already pays this amount for the entire period of survivorship in most instances, unless the surviving spouse chooses to remarry. This bill would only have increased costs for the State or local unit associated with those surviving spouses who do remarry, currently a small percentage of the population.

The exact population of surviving spouses is difficult to determine; however, according to the New Jersey State Police Survivors of the Triangle there have been 21 State police survivor spouses since 1966. The Division of Fire Safety reports that there have been no deaths of State firefighters and there were approximately 43 local firefighter survivor spouses between 1998 and 2008. According to Garden State Concerns of Police Survivors (COPS), there were 53 local survivor spouses between 1984 and 2008.

It is also useful to understand the population of surviving spouses who remarry since, upon remarriage, the surviving spouse no longer collects workers' compensation benefits. According to Survivors of the Triangle, six of the 21 (28 percent) State police surviving spouses since 1966 have remarried and, according to Garden State COPS, seven of the 53 (13 percent) local police surviving spouses between 1984 and 2008 have remarried. The OLS is unable to determine this information for local firefighters. It cannot be determined to what extent the potential loss of benefits is affecting the decision to remarry and what the behavior of the surviving spouses will be if this legislation is enacted.

To ascertain the future number of surviving spouses requires extrapolating from the historical death rates for State troopers, State firefighters, local police officers and firefighters and their marriage status. On average, a State trooper dies in the line of duty once every 1.4 years and approximately three local police officers and four local firefighters die per year. Historically, almost all of the State troopers and local firefighters, and approximately 75 percent of the local police

officers were married, and left surviving spouses. Therefore, using this projection, in ten years there will be approximately seven State police, 23 local police and 40 local firefighter surviving spouses. It is rare for a State firefighter to die in the line of duty and thus they are not included in this estimate.

The State's cost of providing benefits is different than local units. The State is a self insurer and provides for the cost of workers' compensation benefits through a General Fund appropriation. Local government entities purchase workers' compensation insurance through joint insurance funds. Therefore, the cost of providing the benefit would be in any increased premiums, not in the direct payment of benefits.

In summary, this legislation, if enacted, will have indeterminate costs to the State General Fund and to local government entities. These costs are difficult to determine and are dependent upon many variables. The OLS has noted several factors that relate to these costs, including: the current lifetime cost to the State or local government of these benefits for each surviving spouse; the number of current surviving spouses; the current rate of remarriage; and the population of surviving spouses in the future.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

**SENATE, No. 1469**

# STATE OF NEW JERSEY

DATED: MARCH 7, 2013

The Assembly Appropriations Committee reports favorably Senate Bill No. 1469 (1R).

This bill provides workers' compensation benefits to surviving spouses of members of the State Police or members of fire or police departments or forces who die in the line of duty during the entire period of their survivorship, even if the spouse remarries.

Currently, surviving spouses of deceased members of the State Police or members of fire or police departments or forces, like other surviving spouses, receive a lump sum (equal to 100 times the weekly benefit amount) upon any remarriage which occurs during the first 450 weeks of benefits. Under the bill, a surviving spouse of a State trooper or member of a fire or police department or force who died in the line of duty will continue to receive weekly workers' compensation benefits as long as the surviving spouse lives, regardless of remarriage.

The provisions of the bill do not apply to a surviving spouse of a member of the State Police or member of a fire or police department or force who died in the line of duty if that surviving spouse received a lump sum payment or remarried prior to the effective date of the bill.

### FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that this bill could have long term costs of an indeterminate amount to the State General Fund and to local governments. The OLS cannot determine the total cost of the bill due to: (1) an uncertainty in the total number of future eligible surviving spouses; and (2) the fact that local workers' compensation benefits are paid by the workers' compensation insurer, so that the cost will be recovered from local governmental entities in the form of increased premiums, not directly in the form of benefit payments. The State self-insures for workers' compensation and so any increased cost will directly impact the General Fund.

The OLS further notes that this bill may be considered a State mandate under Article VIII, Section II, paragraph 4 of the New Jersey State Constitution "State Mandate, State Pay" because it requires local entities that fund fire or police departments or forces to provide



workers' compensation death benefits to surviving spouses for the entire period of survivorship.

While the fiscal impact the bill is indeterminate, to better understand its potential impact, the OLS has projected the cost of providing lifetime benefits to one survivor. For a death occurring in 2012, this cost is estimated at \$1.85 million based upon the maximum 2012 workers' compensation benefit rate for a surviving spouse of \$810 a week, or approximately \$42,120 a year, for the period of survivorship, unless the spouse remarries, and demographic data which indicate: (1) the average age of death for a State trooper killed in the line of duty has been 30 years old; (2) the average difference in age for married couples is two years in the United States (United States Census, 2000); and (3) the average life expectancy for a female is 80 years (CIA World Fact Book, 2007). Thus, the \$1.85 million estimate is based on a 28 year old woman who would receive \$42,120 annually for 44 years until 80 years of age. Of course, under existing law, the State or local entity already pays this amount for the entire period of survivorship in most instances, unless the surviving spouse chooses to remarry. This bill would only have increased costs for the State or local unit associated with those surviving spouses who do remarry, currently a small percentage of the population.

The exact population of surviving spouses is difficult to determine; however, according to the New Jersey State Police Survivors of the Triangle there have been 21 State police survivor spouses since 1966. The Division of Fire Safety reports that there have been no deaths of State firefighters and there were approximately 43 local firefighter survivor spouses between 1998 and 2008. According to Garden State Concerns of Police Survivors (COPS), there were 53 local survivor spouses between 1984 and 2008.

It is also useful to understand the population of surviving spouses who remarry since, upon remarriage, the surviving spouse no longer collects workers' compensation benefits. According to Survivors of the Triangle, six of the 21 (28 percent) State police surviving spouses since 1966 have remarried and, according to Garden State COPS, seven of the 53 (13 percent) local police surviving spouses between 1984 and 2008 have remarried. The OLS is unable to determine this information for local firefighters. It cannot be determined to what extent the potential loss of benefits is affecting the decision to remarry and what the behavior of the surviving spouses will be if this legislation is enacted.

To ascertain the future number of surviving spouses requires extrapolating from the historical death rates for State troopers, State firefighters, local police officers and firefighters and their marriage status. On average, a State trooper dies in the line of duty once every 1.4 years and approximately three local police officers and four local firefighters die per year. Historically, almost all of the State troopers and local firefighters, and approximately 75 percent of the local police

officers were married, and left surviving spouses. Therefore, using this projection, in ten years there will be approximately seven State police, 23 local police and 40 local firefighter surviving spouses. It is rare for a State firefighter to die in the line of duty and thus they are not included in this estimate.

The State's cost of providing benefits is different than local units. The State is a self insurer and provides for the cost of workers' compensation benefits through a General Fund appropriation. Local government entities purchase workers' compensation insurance through joint insurance funds. Therefore, the cost of providing the benefit would be in any increased premiums, not in the direct payment of benefits.

In summary, this legislation, if enacted, will have indeterminate costs to the State General Fund and to local government entities. These costs are difficult to determine and are dependent upon many variables. The OLS has noted several factors that relate to these costs, including: the current lifetime cost to the State or local government of these benefits for each surviving spouse; the number of current surviving spouses; the current rate of remarriage; and the population of surviving spouses in the future.

# ASSEMBLY, No. 2756

## STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED MAY 10, 2012

**Sponsored by:**

**Assemblywoman ANNETTE QUIJANO**

**District 20 (Union)**

**Assemblywoman VALERIE VAINIERI HUTTLE**

**District 37 (Bergen)**

**Assemblyman JASON O'DONNELL**

**District 31 (Hudson)**

**Assemblyman RUBEN J. RAMOS, JR.**

**District 33 (Hudson)**

**Co-Sponsored by:**

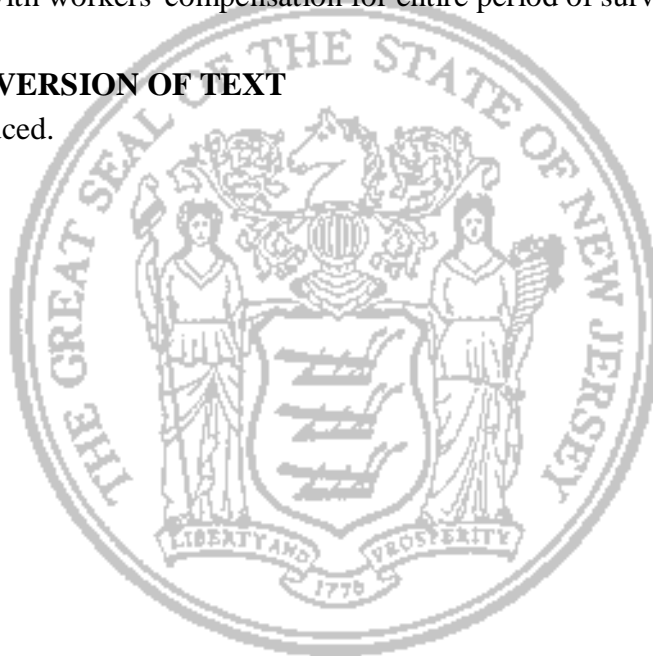
**Assemblymen Amodeo, C.A.Brown, Assemblywoman Wagner and  
Assemblyman Eustace**

**SYNOPSIS**

Provides surviving spouses of certain fire and police personnel who die in line of duty with workers' compensation for entire period of survivorship.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 12/11/2012)**

1 AN ACT concerning workers' compensation for the surviving  
2 spouses of certain deceased members of fire and police  
3 departments and the State Police and amending R.S.34:15-13.

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

7  
8 1. R.S.34:15-13 is amended to read as follows:  
9 34:15-13. Except as hereinafter provided, in case of death,  
10 compensation shall be computed, but not distributed, on the  
11 following basis:

12 a. For one or more dependents, 70% of wages.

13 b. (Deleted by amendment, P.L.2003, c.253).

14 c. (Deleted by amendment, P.L.2003, c.253).

15 d. (Deleted by amendment, P.L.2003, c.253).

16 e. (Deleted by amendment, P.L.2003, c.253).

17 f. The term "dependents" shall apply to and include any or all  
18 of the following who are dependent upon the deceased at the time of  
19 accident or the occurrence of occupational disease, or at the time of  
20 death, namely: husband, wife, parent, stepparents, grandparents,  
21 children, stepchildren, grandchildren, child in esse, posthumous  
22 child, illegitimate children, brothers, sisters, half brothers, half  
23 sisters, niece, nephew. Legally adopted children shall, in every  
24 particular, be considered as natural children. Dependency shall be  
25 conclusively presumed as to the decedent's spouse and to any  
26 natural child of a decedent under 18 years of age or, if enrolled as a  
27 full-time student, under 23 years of age, who was actually a part of  
28 the decedent's household at the time of the decedent's death. Every  
29 provision of this article applying to one class shall be equally  
30 applicable to the other, except for the surviving spouses of members  
31 of the State Police or members of fire or police departments or  
32 forces who die in line of duty. Should any dependent of a deceased  
33 employee die during the period covered by such weekly payments  
34 the right of such dependent to compensation under this section shall  
35 cease, but should the surviving spouse of a deceased employee,  
36 other than the surviving spouse of a deceased member of the State  
37 Police or member of a fire or police department or force who died  
38 in line of duty, remarry during such period and before the total  
39 compensation is paid, the spouse shall be entitled to receive the  
40 remainder of the compensation which would have been due the  
41 spouse had the spouse not remarried, or 100 times the amount of  
42 weekly compensation paid immediately preceding the remarriage,  
43 whichever is the lesser. If the deceased was a member of the State  
44 Police or member of a fire or police department or force who died  
45 in the line of duty, the compensation shall be paid to the surviving

**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 spouse during the entire period of survivorship, even if the  
2 surviving spouse remarries. The foregoing schedule applies only to  
3 persons wholly dependent, and in the case of persons only partially  
4 dependent, except in the case of the surviving spouse and children  
5 who were actually a part of the decedent's household at the time of  
6 death, the compensation shall be such proportion of the scheduled  
7 percentage as the amounts actually contributed to them by the  
8 deceased for their support constituted of his total wages and the  
9 provision as to a minimum of 20% of the average weekly wage as  
10 set forth in subsection a. of R.S.34:15-12 shall not apply to such  
11 compensation. In determining the number of dependents, where the  
12 deceased employee was a minor, the number of persons dependent  
13 upon the deceased employee shall be determined in the same way as  
14 if the deceased employee were an adult, notwithstanding any rule of  
15 law as to the person entitled to a minor's wages.

16 g. Compensation shall be computed upon the foregoing basis.  
17 Distribution shall be made among dependents, if more than one,  
18 according to the order of the Division of Workers' Compensation,  
19 which shall, when applied to for that purpose, determine, upon the  
20 facts being presented to it, the proportion to be paid to or on behalf  
21 of each dependent according to the relative-dependency. Payment  
22 on behalf of infants shall be made to the surviving parent, if any, or  
23 to the statutory or testamentary guardian.

24 h. If death results from the accident or occupational disease,  
25 whether there be dependents or not, expenses of the last sickness of  
26 the deceased employee shall be paid in accordance with the  
27 provisions for medical and hospital service as set forth in  
28 R.S.34:15-15. In addition, the cost of burial and of a funeral, not to  
29 exceed \$3,500 shall be paid to the dependent or other person having  
30 paid the costs of burial and the funeral. In the event that the  
31 dependent or other person has paid less than \$3,500 for the costs of  
32 burial and the funeral, the dependent or other person shall be  
33 reimbursed in the amount paid and, if the costs of burial and the  
34 funeral exceed the amount so paid, the difference between the said  
35 amount and \$3,500 or so much thereof as may be necessary to pay  
36 the cost of burial and the funeral, shall be paid to the undertaker or  
37 embalmer or the dependent or other person having paid the costs of  
38 burial and the funeral. In the event that no part of the costs of  
39 burial and the funeral have been paid, the amount of such cost of  
40 burial and the funeral, not to exceed \$3,500, shall be paid to the  
41 undertaker or embalmer or the dependent or other person who is to  
42 pay the costs of burial and the funeral.

43 i. In computing compensation to those named in this section,  
44 except husband, wife, parents and stepparents, and except as  
45 otherwise provided in this section, only those under 18 or over 40  
46 years of age shall be included and then only for that period in which  
47 they are under 18 or over 40; provided, however, that payments to  
48 such physically or mentally deficient persons as are for such reason

1 dependent shall be made during the full compensation period of 450  
2 weeks.

3 j. The maximum compensation in case of death shall be  
4 subject to the maximum compensation as stated in subsection a. of  
5 R.S.34:15-12 and a minimum of 20% of average weekly wages per  
6 week as set forth in subsection a. of R.S.34:15-12, except in the  
7 case of partial dependency as provided in this section. This  
8 compensation shall be paid, in the case of a surviving spouse, other  
9 than a surviving spouse of a member of the State Police or member  
10 of a fire or police department or force who died in the line of duty,  
11 during the entire period of survivorship or until such surviving  
12 spouse shall remarry and, in the case of other dependents, during  
13 450 weeks and if at the expiration of 450 weeks there shall be one  
14 or more dependents under 18 years of age, compensation shall be  
15 continued for such dependents until they reach 18 years of age, or  
16 23 years of age while enrolled as a full-time student, at the schedule  
17 provided under subsection a. of this section. If the deceased was a  
18 member of the State Police or member of a fire or police department  
19 or force who died in the line of duty, the compensation shall be  
20 paid to the surviving spouse during the entire period of  
21 survivorship, even if the surviving spouse remarries.

22 (cf: P.L.2003, c.253, s.1)

23

24 2. This act shall take effect immediately.

25

26

27

#### STATEMENT

28

29 This bill provides workers' compensation benefits to surviving  
30 spouses of members of the State Police or members of fire or police  
31 departments or forces who die in the line of duty during the entire  
32 period of their survivorship, even if the spouse remarries. Currently,  
33 surviving spouses of deceased members of the State Police or  
34 members of fire or police departments or forces, like other surviving  
35 spouses, receive a lump sum upon any remarriage which occurs during  
36 the first 450 weeks of benefits. Under the bill, a surviving spouse of a  
37 State trooper or member of a fire or police department or force who  
38 died in the line of duty will not receive the lump sum upon remarriage  
39 occurring during the first 450 weeks of benefits like the spouses of  
40 other workers killed on the job, but will instead continue to receive  
41 weekly workers' compensation benefits as long as the spouse lives,  
42 even after remarriage and even if the remarriage occurs after the first  
43 450 weeks of benefits.

# ASSEMBLY LABOR COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 2756**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: DECEMBER 10, 2012

The Assembly Labor Committee reports favorably and with committee amendments Assembly Bill No. 2756

This bill, as amended, provides workers' compensation benefits to surviving spouses of members of the State Police or members of fire or police departments or forces who die in the line of duty during the entire period of their survivorship, even if the spouse remarries.

Currently, surviving spouses of deceased members of the State Police or members of fire or police departments or forces, like other surviving spouses, receive a lump sum (equal to 100 times the weekly benefit amount) upon any remarriage which occurs during the first 450 weeks of benefits. Under the bill, a surviving spouse of a State trooper or member of a fire or police department or force who died in the line of duty will continue to receive weekly workers' compensation benefits as long as the surviving spouse lives, regardless of remarriage.

The provisions of the bill do not apply to a surviving spouse of a member of the State Police or member of a fire or police department or force who died in the line of duty if that surviving spouse received a lump sum payment or remarried prior to the effective date of the bill.

#### COMMITTEE AMENDMENTS:

The committee amended the bill to clarify that the changes proposed under the bill are not intended to be retroactive and, pursuant to the bill, surviving spouses of a member of the State Police or member of fire or police department or force who died in the line of duty are not eligible for a lump sum payment upon remarriage.

Any surviving spouses currently receiving workers' compensation dependent benefits are eligible to remarry and continue to receive these benefits, but any surviving spouses who have already remarried as of the date of enactment will not be eligible for continued benefits pursuant to this bill.

The amendments make this bill identical to Senate Bill No. 1469 (1R).

FISCAL IMPACT:

The OLS estimates that this bill, with the amendments, could have long term costs of an indeterminate amount to the State General Fund and to local governments. The OLS cannot determine the total cost of the bill due to: (1) an uncertainty in the total number of future eligible surviving spouses; and (2) the fact that local workers' compensation benefits are paid by the workers' compensation insurer, so that the cost will be recovered from local governmental entities in the form of increased premiums, not directly in the form of benefit payments. The State self insures for workers' compensation and thus any increased cost will directly impact the General Fund.

The OLS further notes that this bill may be considered a State mandate under Article VIII, Section II, paragraph 4 of the New Jersey State Constitution "State Mandate, State Pay" because it requires local entities that fund fire or police departments or forces to provide workers' compensation death benefits to surviving spouses for the entire period of survivorship.

While the fiscal impact of the bill is indeterminate, to better understand its potential impact, the OLS has projected the cost of providing lifetime benefits to one survivor. For a death occurring in 2012, this cost is estimated at \$1.85 million based upon the maximum 2012 workers' compensation benefit rate for a surviving spouse of \$810 a week, or approximately \$42,120 a year, for the period of survivorship, unless the spouse remarries, and demographic data which indicate: (1) the average age of death for a State trooper killed in the line of duty has been 30 years old; (2) the average difference in age for married couples is two years in the United States (United States Census, 2000); and (3) the average life expectancy for a female is 80 years (CIA World Fact Book, 2007). Thus, the \$1.85 million estimate is based on a 28 year old woman who would receive \$42,120 annually for 44 years until 80 years of age. Of course, under existing law, the State or local entity already pays this amount for the entire period of survivorship in most instances, unless the surviving spouse chooses to remarry. This bill would only have increased costs for the State or local unit associated with those surviving spouses who do remarry, currently a small percentage of the population.

The exact population of surviving spouses is difficult to determine; however, according to the New Jersey State Police Survivors of the Triangle there have been 21 State police survivor spouses since 1966. The Division of Fire Safety reports that there have been no deaths of State firefighters and there were approximately 43 local firefighter survivor spouses between 1998 and 2008. According to Garden State Concerns of Police Survivors (COPS), there were 53 local survivor spouses between 1984 and 2008.

It is also useful to understand the population of surviving spouses who remarry since, upon remarriage, the surviving spouse no longer collects workers' compensation benefits. According to Survivors of



the Triangle, six of the 21 (28 percent) State police surviving spouses since 1966 have remarried and, according to Garden State COPS, seven of the 53 (13 percent) local police surviving spouses between 1984 and 2008 have remarried. The OLS is unable to determine this information for local firefighters. It cannot be determined to what extent the potential loss of benefits is affecting the decision to remarry and what the behavior of the surviving spouses will be if this legislation is enacted.

To ascertain the future number of surviving spouses requires extrapolating from the historical death rates for State troopers, State firefighters, local police officers and firefighters and their marriage status. On average, a State trooper dies in the line of duty once every 1.4 years and approximately three local police officers and four local firefighters die per year. Historically, almost all of the State troopers and local firefighters, and approximately 75 percent of the local police officers were married, and left surviving spouses. Therefore, using this projection, in ten years there will be approximately seven State police, 23 local police and 40 local firefighter surviving spouses. It is rare for a State firefighter to die in the line of duty and thus they are not included in this estimate.

The State's cost of providing benefits is different than local units. The State is a self insurer and provides for the cost of workers' compensation benefits through a General Fund appropriation. Local government entities purchase workers' compensation insurance through joint insurance funds. Therefore, the cost of providing the benefit would be in any increased premiums, not in the direct payment of benefits.

In summary, this legislation, if enacted, will have indeterminate costs to the State General Fund and to local government entities. These costs are difficult to determine and are dependent upon many variables. The OLS has noted several factors that relate to these costs, including: the current lifetime cost to the State or local government of these benefits for each surviving spouse; the number of current surviving spouses; the current rate of remarriage; and the population of surviving spouses in the future.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

**ASSEMBLY, No. 2756**

# **STATE OF NEW JERSEY**

DATED: MARCH 7, 2013

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2756 (1R).

This bill provides workers' compensation benefits to surviving spouses of members of the State Police or members of fire or police departments or forces who die in the line of duty during the entire period of their survivorship, even if the spouse remarries.

Currently, surviving spouses of deceased members of the State Police or members of fire or police departments or forces, like other surviving spouses, receive a lump sum (equal to 100 times the weekly benefit amount) upon any remarriage which occurs during the first 450 weeks of benefits. Under the bill, a surviving spouse of a State trooper or member of a fire or police department or force who died in the line of duty will continue to receive weekly workers' compensation benefits as long as the surviving spouse lives, regardless of remarriage.

The provisions of the bill do not apply to a surviving spouse of a member of the State Police or member of a fire or police department or force who died in the line of duty if that surviving spouse received a lump sum payment or remarried prior to the effective date of the bill.

### FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that this bill could have long term costs of an indeterminate amount to the State General Fund and to local governments. The OLS cannot determine the total cost of the bill due to: (1) an uncertainty in the total number of future eligible surviving spouses; and (2) the fact that local workers' compensation benefits are paid by the workers' compensation insurer, so that the cost will be recovered from local governmental entities in the form of increased premiums, not directly in the form of benefit payments. The State self-insures for workers' compensation and so any increased cost will directly impact the General Fund.

The OLS further notes that this bill may be considered a State mandate under Article VIII, Section II, paragraph 4 of the New Jersey State Constitution "State Mandate, State Pay" because it requires local entities that fund fire or police departments or forces to provide

workers' compensation death benefits to surviving spouses for the entire period of survivorship.

While the fiscal impact the bill is indeterminate, to better understand its potential impact, the OLS has projected the cost of providing lifetime benefits to one survivor. For a death occurring in 2012, this cost is estimated at \$1.85 million based upon the maximum 2012 workers' compensation benefit rate for a surviving spouse of \$810 a week, or approximately \$42,120 a year, for the period of survivorship, unless the spouse remarries, and demographic data which indicate: (1) the average age of death for a State trooper killed in the line of duty has been 30 years old; (2) the average difference in age for married couples is two years in the United States (United States Census, 2000); and (3) the average life expectancy for a female is 80 years (CIA World Fact Book, 2007). Thus, the \$1.85 million estimate is based on a 28 year old woman who would receive \$42,120 annually for 44 years until 80 years of age. Of course, under existing law, the State or local entity already pays this amount for the entire period of survivorship in most instances, unless the surviving spouse chooses to remarry. This bill would only have increased costs for the State or local unit associated with those surviving spouses who do remarry, currently a small percentage of the population.

The exact population of surviving spouses is difficult to determine; however, according to the New Jersey State Police Survivors of the Triangle there have been 21 State police survivor spouses since 1966. The Division of Fire Safety reports that there have been no deaths of State firefighters and there were approximately 43 local firefighter survivor spouses between 1998 and 2008. According to Garden State Concerns of Police Survivors (COPS), there were 53 local survivor spouses between 1984 and 2008.

It is also useful to understand the population of surviving spouses who remarry since, upon remarriage, the surviving spouse no longer collects workers' compensation benefits. According to Survivors of the Triangle, six of the 21 (28 percent) State police surviving spouses since 1966 have remarried and, according to Garden State COPS, seven of the 53 (13 percent) local police surviving spouses between 1984 and 2008 have remarried. The OLS is unable to determine this information for local firefighters. It cannot be determined to what extent the potential loss of benefits is affecting the decision to remarry and what the behavior of the surviving spouses will be if this legislation is enacted.

To ascertain the future number of surviving spouses requires extrapolating from the historical death rates for State troopers, State firefighters, local police officers and firefighters and their marriage status. On average, a State trooper dies in the line of duty once every 1.4 years and approximately three local police officers and four local firefighters die per year. Historically, almost all of the State troopers and local firefighters, and approximately 75 percent of the local police

officers were married, and left surviving spouses. Therefore, using this projection, in ten years there will be approximately seven State police, 23 local police and 40 local firefighter surviving spouses. It is rare for a State firefighter to die in the line of duty and thus they are not included in this estimate.

The State's cost of providing benefits is different than local units. The State is a self insurer and provides for the cost of workers' compensation benefits through a General Fund appropriation. Local government entities purchase workers' compensation insurance through joint insurance funds. Therefore, the cost of providing the benefit would be in any increased premiums, not in the direct payment of benefits.

In summary, this legislation, if enacted, will have indeterminate costs to the State General Fund and to local government entities. These costs are difficult to determine and are dependent upon many variables. The OLS has noted several factors that relate to these costs, including: the current lifetime cost to the State or local government of these benefits for each surviving spouse; the number of current surviving spouses; the current rate of remarriage; and the population of surviving spouses in the future.

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

**ASSEMBLY, No. 2756**

## **STATE OF NEW JERSEY 215th LEGISLATURE**

DATED: MARCH 21, 2013

### SUMMARY

- Synopsis:** Provides surviving spouses of certain fire and police personnel who die in the line of duty with workers' compensation for entire period of survivorship.
- Type of Impact:** Indeterminate expenditure increase: State General Fund; Local Government funds.
- Agencies Affected:** Department of the Treasury, local government entities

#### Office of Legislative Services Estimate

Fiscal Impact	
<b>State Cost</b>	Indeterminate – See comments below
<b>Local Cost</b>	Indeterminate – See comments below

- The Office of Legislative Services (OLS) estimates that this bill could have long term costs of an indeterminate amount to the State General Fund for payments to surviving spouses of State troopers and State firefighters.
- With respect to the surviving spouses of local fire and police personnel who die in the line of duty, it is estimated that the bill could have long term costs of an indeterminate amount to local government entities.
- The OLS notes that this bill may be considered a State mandate under Article VIII, Section II, paragraph four of the New Jersey State Constitution “State Mandate, State Pay” because it requires local entities that fund fire or police departments or forces to provide workers’ compensation death benefits to surviving spouses for the entire period of survivorship.

## **BILL DESCRIPTION**

Assembly Bill No. 2756 (1R) of 2012 provides workers' compensation benefits to surviving spouses of members of the State Police, State firefighters, and members of local fire or police departments or forces who die in the line of duty during the entire period of the spouse's survivorship, even if the spouse remarries. Currently, surviving spouses of deceased members of the State Police, State firefighters or members of local fire or police departments, like other surviving spouses under workers' compensation, receive a lump sum payment, upon remarriage, of 100 times the amount of weekly compensation paid immediately preceding the remarriage. Under the bill, a surviving spouse of a State trooper, State firefighter or member of a local fire or police department or force who died in the line of duty will continue to receive weekly workers' compensation benefits as long as the surviving spouse lives, regardless of marital status, but will not receive a lump sum payment upon remarriage.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS estimates that this bill could have long term costs of an indeterminate amount to the State General Fund and to local governments. The OLS cannot determine the total cost of the bill due to: (1) an uncertainty in the total number of future eligible surviving spouses; and (2) the fact that local workers' compensation benefits are paid by the workers' compensation insurer, so that the cost will be recovered from local governmental entities in the form of increased premiums, not directly in the form of benefit payments. The State self insures for workers' compensation and thus any increased cost will directly impact the General Fund. While the OLS cannot determine the total cost of the bill, following is information that may be helpful to understand the financial impact of this legislation, including: a brief history of workers' compensation benefits for surviving spouses, an estimate of the lifetime cost of this benefit for each surviving spouse, the current surviving spouse population and a rationale on determining the future surviving spouse population.

Prior to 1966, surviving spouses received workers compensation benefits for up to 350 weeks. In 1966, State law was amended to provide workers' compensation benefits to spouses for the entire time of survivorship, but after 450 weeks the benefits were adjusted to include an offset for any salary the surviving spouse may have earned. In 1990, the law was amended to its current form and workers' compensation benefits were extended to the entire time of survivorship, regardless of the survivor's income. However, the benefit is discontinued if the spouse remarries and instead the spouse is eligible for a one time payment of 100 times the weekly benefit at remarriage.

In order to better understand the potential financial impact of Assembly Bill No. 2756 (1R), it is useful to estimate the cost of providing lifetime benefits to one survivor. The estimated cost of providing benefits for one survivor, of a death occurring in 2013, is \$1.89 million. This cost is calculated by first determining that the maximum 2013 workers' compensation benefit rate for a surviving spouse is \$826 a week, or approximately \$42,952 a year, for the period of survivorship, unless the spouse remarries. Furthermore, the average age of death for a State

trooper killed in the line of duty has been 30 years old. The average difference in age for married couples is two years in the United States (United States Census, 2000). The average life expectancy for a female is 80 years (CIA World Fact Book, 2007). Thus, the estimate is based on a 28 year old woman who would live to be 80 years old. Benefits to such a surviving spouse would cost \$42,952 annually for 44 years, or approximately \$1.89 million over her lifetime. Of course, under existing law, the State or local entity already would pay this amount for the entire period of survivorship in most instances, unless the surviving spouse chooses to remarry. Assembly Bill No. 2756 (1R) would only have increased costs for the State or local unit associated with those surviving spouses who do remarry, which as is illustrated in this estimate is a small percentage of a small population.

The exact population of surviving spouses is difficult to determine; however, according to the New Jersey State Police Survivors of the Triangle there have been 21 State police survivor spouses since 1966. The Division of Fire Safety reports that there have been no deaths of State firefighters and there were approximately 43 local firefighter survivor spouses between 1998 and 2008. According to Garden State Concerns of Police Survivors (COPS), there were 53 local survivor spouses between 1984 and 2008.

It is also useful to understand the population of surviving spouses who remarry since, upon remarriage, the surviving spouse no longer collects workers' compensation benefits. According to Survivors of the Triangle, six of the 21 (28 percent) State police surviving spouses since 1966 have remarried and, according to Garden State COPS, seven of the 53 (13 percent) local police surviving spouses between 1984 and 2008 have remarried. We are unable to determine this information for local firefighters. It cannot be determined to what extent the potential loss of benefits is affecting the decision to remarry and what the behavior of the surviving spouses will be if Assembly Bill No. 2756 (1R) is enacted.

To ascertain the future number of surviving spouses requires extrapolating from the historical death rates for State troopers, State firefighters, local police officers and firefighters and their marriage status. On average, a State trooper dies in the line of duty once every 1.4 years and approximately three local police officers and four local firefighters die per year. Historically, almost all of the State troopers and local firefighters, and approximately 75 percent of the local police officers were married, and left surviving spouses. Therefore, using this projection, in ten years there will be approximately seven State police, 23 local police and 40 local firefighter surviving spouses. It is rare for a State firefighter to die in the line of duty and thus they are not included in this estimate.

The State's cost of providing benefits is different than local units. The State is a self insurer and provides for the cost of workers' compensation benefits through a General Fund appropriation. Local government entities purchase workers' compensation insurance through joint insurance funds. Therefore, the cost of providing the benefit would be in any increased premiums, not in the direct payment of benefits.

In summary, this legislation, if enacted, will have indeterminate costs to the State General Fund and to local government entities. These costs are difficult to determine and are dependent upon many variables. The OLS has noted several factors that relate to these costs, including: the current lifetime cost to the State or local government of these benefits for each surviving spouse; the number of current surviving spouses; the current rate of remarriage; and the population of surviving spouses in the future.

*Section: Commerce, Labor and Industry*

*Analyst: Robin C. Ford  
Senior Fiscal Analyst*

*Approved: David J. Rosen  
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 (C.52:13B-6 et seq.).