

43:16A-1

LEGISLATIVE HISTORY CHECKLIST

(Police and Firemen's Retirement System-- spouse's benefits--reduce years of marriage required)

HJSA 43:16A-1

LAWS OF 1979

CHAPTER 407

Bill No. S3183

Sponsor(s) Musto

Date Introduced April 26, 1979

Committee: Assembly State Govt., Federal & Interstate Relations & Veterans Affairs

Senate State Govt., Federal & Interstate Relations & Veterans Affairs

Amended during passage ~~Yes~~ No

Date of Passage: Assembly Dec. 10, 1979

Senate June 18, 1979

Date of approval Feb. 8, 1980

Following statements are attached if available:

Sponsor statement Yes ~~Yes~~ (Below)

Committee Statement: Assembly ~~Yes~~ No

Senate Yes ~~Yes~~

Fiscal Note Yes ~~Yes~~

Veto message ~~Yes~~ No

Message on signing ~~Yes~~ No

Following were printed:

Reports ~~Yes~~ No

Hearings ~~Yes~~ No

Sponsor's statement:

The purpose of this bill is to lower from 5 to 2 years the number of years which a member or retirant must be married in order for his or her spouse to be deemed a widow or widower under the provisions of the Police and Firemen's Retirement System and be eligible for survivor's benefits.

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SENATE, No. 3183

STATE OF NEW JERSEY

INTRODUCED APRIL 26, 1979

By Senator MUSTO

Referred to Committee on State Government, Federal and
Interstate Relations and Veterans Affairs

AN ACT to amend "An act for the establishment of a police and firemen's retirement system for police, firemen and certain other law enforcement officers," approved May 23, 1944 (P. L. 1944, c. 255) as said title was amended by P. L. 1976, c. 139.

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

1 1. Section 1 of P. L. 1944, c. 255 (C. 43:16A-1) is amended to
2 read as follows:

3 1. As used in this act:

4 (1) "Retirement system" shall mean the Police and Firemen's
5 Retirement System of New Jersey as defined in section 2 of this act.

6 (2) "Policeman or fireman" shall mean any permanent and full-
7 time active uniformed employee, and any active permanent and
8 full-time employee who is a detective, lineman, fire alarm operator
9 or inspector of combustibles of any police or fire department. It
10 shall also mean any permanent, active, and full-time officer em-
11 ployee of the State of New Jersey, *or any political subdivision*
12 *thereof*, with police powers and holding one of the following titles:
13 motor vehicles officer, motor vehicles sergeant, motor vehicles lieu-
14 tenant, motor vehicles captain, assistant chief, bureau of enforce-
15 ment, and chief, bureau of enforcement in the Division of Motor
16 Vehicles, **[inspectors, and investigators, in the Division of Alcoholic**
17 **Beverage Control,]** *alcoholic beverage control investigators, alco-*
18 *holic beverage control inspectors, assistant deputy director, bureau*
19 *of enforcement, and deputy director, bureau of enforcement in the*
20 *Division of Alcoholic Beverage Control, conservation officer, assist-*
21 *ant district conservation officer, district conservation officer, and*
22 *chief conservation officer, in the Division of Fish, Game, and Shell*
23 *Fisheries, rangers, and chief ranger in the Bureau of Parks, marine*
24 *patrolman, senior marine patrolman, principal marine patrolman,*

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

25 and chief, bureau of marine law enforcement, correction officer,
 26 senior correction officer, correction officer sergeant, correction offi-
 27 cer lieutenant, correction officer captain, and deputy keepers in the
 28 **[Division of Correction and Parole]** *Department of Corrections*,
 29 medical security officer, assistant supervising medical security
 30 officer, and supervising medical security officer in the Department
 31 of **[Institutions and Agencies]** *Human Services*, county detective,
 32 lieutenant of county detectives, captain of county detectives, *deputy*
 33 *chief of county detectives*, chief of county detectives, and county
 34 investigator in the office of the county prosecutors, sheriff's officer,
 35 sergeant sheriff's officer, lieutenant sheriff's officer, captain sher-
 36 iff's officer, chief sheriff's officer, and sheriff's investigator in the
 37 office of the county sheriffs, county correction officer, county cor-
 38 rection sergeant, county correction lieutenant, county correction
 39 captain, and county deputy warden in the several county jails,
 40 industrial trade instructor and identification officer in a county of
 41 the first class having a population of more than 925,000 inhabitants,
 42 cottage officer, head cottage officer, interstate escort officer, juvenile
 43 officer, head juvenile officer, assistant supervising juvenile officer,
 44 supervising juvenile officer, patrolman capitol police, patrolman
 45 insitutions, sergeant patrolman institutions, and supervising
 46 patrolman institutions and patrolman or other police officer of the
 47 Board of Commissioners of the Palisades Interstate Park appointed
 48 pursuant to R. S. 32:14-21.

49 (3) "Member" shall mean any policeman or fireman included
 50 in the membership of the retirement system as provided in section
 51 3 of this act.

52 (4) "Board of trustees" or "board" shall mean the board pro-
 53 vided for in section 13 of this act.

54 (5) "Medical board" shall mean the board of physicians pro-
 55 vided for in section 13 of this act.

56 (6) "Employer" shall mean the State of New Jersey, the county,
 57 municipality or political subdivision thereof which pays the par-
 58 ticular policeman or fireman.

59 (7) "Service" shall mean service as a policeman or fireman paid
 60 for by an employer.

61 (8) "Creditable service" shall mean service rendered for which
 62 credit is allowed as provided under section 4 of this act.

63 (9) "Regular interest" shall mean interest as determined
 64 annually by the State Treasurer after consultation with the
 65 Directors of the Divisions of Investment and Pensions and the
 66 actuary of the system. It shall bear a reasonable relationship to

67 the percentage rate of earnings on investments but shall not exceed
68 105% of such percentage rate.

69 (10) "Aggregate contributions" shall mean the sum of all the
70 amounts, deducted from the compensation of a member or con-
71 tributed by him or on his behalf, standing to the credit of his in-
72 dividual account in the annuity savings fund.

73 (11) "Annuity" shall mean payments for life derived from the
74 aggregate contributions of a member.

75 (12) "Pension" shall mean payments for life derived from
76 contributions by the employer.

77 (13) "Retirement allowance" shall mean the pension plus the
78 annuity.

79 (14) "Earnable compensation" shall mean the full rate of the
80 salary that would be payable to an employee if he worked the full
81 normal working time for his position. In cases where salary in-
82 cludes maintenance, the retirement system shall fix the value of that
83 part of the salary not paid in money which shall be considered
84 under this act.

85 (15) "Average final compensation" shall mean the average
86 annual salary upon which contributions are made for the 3 years
87 of creditable service immediately preceding his retirement or death,
88 or it shall mean the average annual salary for which contributions
89 are made during any 3 fiscal years of his or her membership pro-
90 viding the largest possible benefit to the member or his beneficiary.

91 (16) "Retirement" shall mean the termination of the member's
92 active service with a retirement allowance granted and paid under
93 the provisions of this act.

94 (17) "Annuity reserve" shall mean the present value of all pay-
95 ments to be made on account of any annuity or benefit in lieu of
96 any annuity computed upon the basis of such mortality tables
97 recommended by the actuary as shall be adopted by the board of
98 trustees, and regular interest.

99 (18) "Pension reserve" shall mean the present value of all pay-
100 ments to be made on account of any pension or benefit in lieu of
101 any pension computed upon the basis of such mortality tables
102 recommended by the actuary as shall be adopted by the board of
103 trustees, and regular interest.

104 (19) "Actuarial equivalent" shall mean a benefit of equal value
105 when computed upon the basis of such mortality tables recom-
106 mended by the actuary as shall be adopted by the board of trustees,
107 and regular interest.

108 (20) "Beneficiary" shall mean any person receiving a retire-
109 ment allowance or other benefit as provided by this act.

110 (21) "Child" shall mean a deceased member's or retirant's
111 unmarried child either (a) under the age of 18 or (b) of any age
112 who, at the time of the member's or retirant's death, is disabled
113 because of mental retardation or physical incapacity, is unable to
114 do any substantial, gainful work because of the impairment and his
115 impairment has lasted or can be expected to last for a continuous
116 period of not less than 12 months, as affirmed by the medical board.

117 (22) "Parent" shall mean the parent of a member who was
118 receiving at least one-half of his support from the member in the
119 12-month period immediately preceding the member's death or the
120 accident which was the direct cause of the member's death. The
121 dependency of such a parent will be considered terminated by
122 marriage of the parent subsequent to the death of the member.

123 (23) "Widower" shall mean the man to whom a member or
124 retirant was married at least [5] 2 years before the date of her
125 death and to whom she continued to be married until the date of her
126 death and who was receiving at least one-half of his support from
127 the member or retirant in the 12-month period immediately preced-
128 ing the member's or retirant's death or the accident which was the
129 direct cause of the member's death. The dependency of such a
130 widower will be considered terminated by marriage of the widower
131 subsequent to the death of the member or retirant. In the event of
132 the payment of an accidental death benefit, the [5] 2-year qualifica-
133 tion shall be waived.

134 (24) "Widow" shall mean the woman to whom a member or
135 retirant was married at least [5] 2 years before the date of his
136 death and to whom he continued to be married until the date of
137 his death and who has not remarried. In the event of the payment
138 of an accidental death benefit, the [5] 2-year qualification shall be
139 waived.

140 (25) "Fiscal year" shall mean any year commencing with July 1,
141 and ending with June 30, next following.

142 (26) "Compensation" shall mean the base salary, for services
143 as a member as defined in this act, which is in accordance with
144 established salary policies of the member's employer for all em-
145 ployees in the same position but shall not include individual salary
146 adjustments which are granted primarily in anticipation of the
147 member's retirement or additional remuneration for performing
148 temporary duties beyond the regular work day.

149 (27) "Department" shall mean any police or fire department of
150 a municipality or a fire department of a fire district located in a
151 township or a county police or park police department or the
152 appropriate department of the State or instrumentality thereof.

1 2. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to lower from 5 to 2 years the number of years which a member or retirant must be married in order for his or her spouse to be deemed a widow or widower under the provisions of the Police and Firemen's Retirement System and be eligible for survivor's benefits.

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

STATEMENT TO

SENATE, No. 3183

STATE OF NEW JERSEY

DATED: MAY 24, 1979

The purpose of this bill is to reduce the number of years of marriage required by the Police and Firemen's Retirement System for a spouse to be considered a widow or widower and thus eligible to receive survivor's benefits upon the death of a member or retirant. Under the present law the requirement is 5 years of marriage. The bill would make 2 years of marriage the required period.

The Division of Pensions estimates that there are approximately 5,000 widows and widowers who are currently receiving survivor's benefits. The division further estimates that an additional 10% of this number would become eligible pursuant to this amendment. Survivor's benefits amount to about 25% of annual salary. The salary for members of this retirement system averages between \$16,000.00 and \$18,000.00 per year, thus the present widows made eligible for survivor's benefits by the enactment of this bill would receive between \$4,000.00 and \$4,500.00 per year.

FISCAL NOTE TO
SENATE, No. 3183

STATE OF NEW JERSEY

DATED: JUNE 18, 1979

Senate Bill No. 3183 lowers from 5 to 2 years the number of years which a member or retirant must be married in order for his or her spouse to be deemed a widow or widower under the provisions of the Police and Firemen's Retirement System and be eligible for survivor's benefits.

The Division of Pension comments:

“Aside from the possibility that communities who do not now participate may suddenly find themselves with substantial cost implications as a result of this legislation, the major cost implication involves the liberalization in the years required for the payment of widow and widower benefits. The cost of a particular widow's benefit can be \$50,000.00 or it can be as much as \$100,000.00 depending on the age of the widow at the time of death. The average pensioner retired on a salary of \$16,000.00-\$18,000.00 so that we are talking about an annual widow's benefit of 25% of salary or at least \$4,000.00 a year for the rest of the woman's life. This is likely to involve a present value of at least \$50,000.00. However, it could be several times that if the member were to marry someone who is substantially younger. Thus the cost does not only involve the limited number of widows who would first become eligible for benefits as a result of this legislation in that they lacked 5 years of marriage but had at least 2 years before the death of the member. The real cost in this legislation involves the incentives for older men to marry younger women and primarily members of their families for the purpose of endowing them with a \$4,000.00 annual annuity. We estimate that this could increase the number of widows by as much as 10% or about 500 widows with a present value cost of \$25 million over the life of the present membership. Again, this may not be the intent of the authors but this could be the result.”

Based on the additional \$25 million liability to the system, the Office of Legislative Services estimates the *annual* employer costs of Senate Bill No. 3183 as follows:

FY 1979-80—no cost (due to lag in actuarial certification)

FY 1980-81—\$691,000.00

FY 1981-82—\$763,000.00

The bill also provides that the Director of the Division of Local Government Services establish rules and regulations for municipalities regarding notification of taxpayers, supervision by the tax collector and requirements concerning the holding, use, accounting, reporting and payment to the municipality of public money received by the designated banks or trust companies.

S-3101, sponsored by Senator Wynona M. Lipman (D-Essex), which makes a number of changes in the "Law Against Discrimination" and is designed to reduce the backlog of cases and the costs in the Division of Civil Rights.

It brings New Jersey statutes into compliance with the federal law which currently permits charging parties to request the issuance of a right to sue letter after 180 days have expired and pursue their legal remedies before a court. Also, transcripts of hearings would be prepared only upon the request of a party and the prevailing party may be awarded reasonable attorney's fees.

S-3154, sponsored by Senator Walter E. Foran (R-Hunterdon), which directs the Department of Education to provide by September 30, 1982 sufficient in-service training to the child-study teams so they may properly evaluate and program handicapped children with severe hearing losses. Governor Byrne line-item vetoed a \$50,000 appropriation for the bill. A copy of the veto message is attached.

S-3183, sponsored by Senator William V. Musto (D-Hudson), which amends the definition of widow and widower for the purposes of the Police and Firemen's Retirement System.

Under prior law, in order to qualify for widows or widower's benefits, the person must have been married to the member for at least five years prior to the member's death. This bill reduces that requirement to two years.

S-3191, sponsored by Senator William J. Hamilton, Jr. (D-Middlesex), which amends the public bidding laws by providing that when a public contract is to be performed by the State of New Jersey through the Division of Building and Construction for a contract sum of less than \$20,000 the Director of the Division or the Department of State may waive the bond requirement of the act.