

17:12 B-53 ET AL.

LEGISLATIVE HISTORY CHECKLIST

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NJSA 17:12B-53, 54, and 59

Laws of 1975 Chapter 29

Bill No. A1364

Sponsor(s) Keegan

Date Introduced March 25, 1974

Committee: Assembly Banking & Insurance

Senate Labor, Industry & Professions

Amended during passage ~~Yes~~ No

Date of passage: Assembly May 9, 1974

Senate Nov. 25, 1974

Date of approval March 5, 1975

Following statements are attached if available:

Sponsor statement Yes ~~Yes~~

Committee Statement: Assembly ~~Yes~~ No

Senate Yes ~~Yes~~

Fiscal Note ~~Yes~~ No

Veto message ~~Yes~~ No

Message on signing ~~Yes~~ No

Following were printed:

Reports ~~Yes~~ No

Hearings ~~Yes~~ No

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CHAPTER 29
LAWS OF N. J. 1975
APPROVED 3-5-75

ASSEMBLY, No. 1364

STATE OF NEW JERSEY

INTRODUCED MARCH 25, 1974

By Assemblyman KEEGAN

Referred to Committee on Banking and Insurance

AN ACT to amend the "Savings and Loan Act (1963)," approved August 30, 1963 (P. L. 1963, c. 144).

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

1 1. Section 53 of P. L. 1963, c. 144 (C. 17:12B-53) is amended to
2 read as follows:

3 53. No State association shall pay or contract for the payment
4 or adopt a plan providing for the payment of any annual pension
5 payment [which shall exceed:

6 (a) 60% of the average annual salary paid during the last 36
7 months of service preceding the commencement of pension pay-
8 ments; or

9 (b) $\frac{1}{8}$ of 1% of such annual salary multiplied by the number of
10 months of service; or

11 (c) 60% of the average annual salary received during the period
12 commencing with the eligibility to participate in such pension plan
13 as set forth in the plan or plans and the date pension payments
14 commence, or in lieu thereof, $\frac{1}{8}$ of 1% of such average annual
15 salary multiplied by the number of months of service: whichever
16 is greater.] unless the method of determining the amount of the
17 pension payment is specified in the pension plan.

1 2. Section 54 of P. L. 1963, c. 144 (C. 17:12B-54) is amended to
2 read as follows:

3 54. Nothing in this act shall prevent the payment of greater
4 benefits as set forth in the plan if the officer or employee contributes
5 the premium or other charges for the purchase or return of benefits
6 in excess of the maximum [limited by this act.] set forth in the plan.

1 3. Section 59 of P. L. 1963, c. 144 (C. 17:12B-59) is amended to
2 read as follows:

3 59. In addition to the powers to adopt pension plans as set forth
4 in this act, a State association may subject to the approval of the

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

5 commissioner, contract to make pension payments to retired officers
6 and employees; provided, however, that said officers or employees
7 have been employed by the State association for the minimum
8 time periods as set forth in this act for eligibility to receive pension
9 payments.

10 Without limiting the generality of the type of contract, every
11 such contract adopted by a State association shall contain the
12 following provisions:

13 (a) That in no event shall payments provided for under a con-
14 tract exceed the maximum payments as limited [by this act] for
15 officers or employees covered under a pension plan or plans *in*
16 *operation in the association, unless said payments under such plan*
17 *are, in the opinion of the board of directors, determined to be*
18 *inadequate.*

19 (b) That the amount of the payments, provided for under said
20 contract, shall be subject to reduction in the event said payments
21 exceed that portion of the net income of the State association, which
22 said payments bore to the average net income of the State associa-
23 tion for the 3 years immediately preceding the commencement of
24 said payments; such reduction in said payments shall be propor-
25 tionate to the decrease in net income. Net income for this purpose
26 shall mean net income as defined in section 7 of this act, less any
27 amounts required to be placed in reserve accounts under the provi-
28 sions of this act.

29 (c) That the board may terminate such payments at any time.

30 (d) That where the contracting State association is an insured
31 association such payments shall automatically terminate in the
32 event of a default as defined in Title IV of the National Housing
33 Act.

1 4. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to amend the "Savings and Loan Act (1963)" to provide that any association or corporation operating pursuant to the provisions of the act which adopts a plan for the payment of any annual pension, to include in the pension plan itself the method of determining the amount of the pension payment. It also provides that when the respective association or corporation contracts to make pension payment to retired officers and employees that the provision regarding the exceeding of maximum payments to these individuals, which must, as prescribed by this act be set forth in the contract, include a provision whereby the board of directors determine that the regular payments under the plan are in fact inadequate.

SENATE LABOR, INDUSTRY AND PROFESSIONS
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 1364

STATE OF NEW JERSEY

DATED: OCTOBER 21, 1974

This bill amends the Savings and Loan Act (1963) to eliminate the restriction in the law on the amount of annual pension payments that may be made by State savings and loan associations. The law currently restricts the amount of such annual pension payments to 60%, or $\frac{1}{4}$ of 1% multiplied by the number of months of service, of the average annual salary over the last 36 months of service or over the entire period of eligibility to participate in the plan.