18A:66-46

NOV. 30, 1972.

LEGISLATIVE HISTORY OF R.S.18A:66-46
(TPAF - Accidental death benefits)

L.1955 - chap.37 - S293
No Statement.
No hearings or reports on this bill.

Amended by the following laws:

L.1966 - chap.218 - A801
May 16 - Introduced by Hauser and Farrington.
June 15 - Passed in Assembly.
June 18 - Passed in Senate.
Aug.1 - Approved, chap.218.
Not amended during passage.
Statement (copy enclosed).

L.1968 - chap.228 - S543
Introduced by Dumont, Hauser and Musto.
Not amended during passage.
Statement (copy enclosed).

L.1971 - chap.121 - S2186 §26
Apr.1 - Introduced by Guiliano and others.
Apr.5 - Passed in Senate.
Apr.26 - Passed in Assembly.
Apr.29 - Approved, chap.121, 1971.
Not amended during passage.
Statement (copy enclosed).
Governor's Statement on signing (copy enclosed).

No hearings or reports were located specifically relating to these bills.

JH/EH
Encl.
GC 1955 - S293 - Missing
1966 - A801 - Yes.

A801-1966

retirement. Any death benefit to which such member shall be eligible shall be based on his latest retirement, but shall not be less than the death benefit that was applicable to his former retirement.

22. a. If any member of the retirement system receives periodic benefits payable under the workmen's compensation law during the course of his active service, in lieu of his normal compensation, his regular salary deductions shall be paid to the retirement system by his employer. Such payments shall be computed at the full rate of contribution on the base salary subject to the retirement system, just prior to the receipt of the workmen's compensation benefits. The moneys paid by the employer shall be credited to the member's account in the annuity savings fund and shall be treated as employee contributions for all purposes. The employer will terminate the payment of these moneys when the periodic benefits payable under the workmen's compensation law are terminated.

The member for whom the employer is making such payments, will be considered as if he were in the active service and shall be permitted to continue to make contributions to purchase the additional death benefit coverage provided by section 53 of the act to which this section is a supplement.

b. No application for retirement benefits may be approved by the board of trustees while the member, applying for such benefits, is in receipt of periodic benefits under the workmen's compensation law.

23. a. Sections 12, 23, 50 and 72 of P. L. 1955, chapter 37 are repealed.

b. Sections 14 and 15 of P. L. 1946, chapter 145 are repealed.

24. This act shall take effect immediately.

SPONSOR'S STATEMENT

The purpose of this omnibus bill is to amend and supplement the act governing the Teachers' Pension and Annuity Fund in order to recognize in the statutes the many administrative changes which have been prescribed in the decade following the establishment of the system. The important provisions are as follows:

1. It redefines the Korean Emergency by establishing the same period followed by the civil service statute.

2. It clarifies the provisions of the statute concerning reinstatement and the re-establishment of credit when a former member returns to employment.

3. It provides for vesting after 15 years of service instead of after 20 years.

4. It clarifies the statute concerning accidental death to specifically provide for the inclusion of interest in the return of the member's contributions.

5. It makes changes required by recent court decisions dealing with the optional methods of settlement.

6. It clarifies the provisions concerning the designation of beneficiary.

7. It clarifies the statute for those receiving workmen's compensation benefits.

S 543 - 1968

SPONSOR'S

STATEMENT

This bill will make a number of minor language changes designed to bring about greater conformity in the various pension plans administered by the Division of Pensions.

The bill also provides:

1. A program of rehabilitation for persons retired on disability pensions.

2. Accidental death benefits to dependent widowers.

SPONSORS' S2186 - 1971

STATEMENT

This legislation makes many changes in the sections of the act governing the Teachers' Pension and Annuity Fund and it is contemplated that identical changes will be made in all of the retirement systems administered by the State on behalf of public employees. Such changes liberalize benefits and provide for a uniform and more economical administration. Major benefit liberalizations include:

a. Benefits to be calculated on the basis of a 3-year average of salaries rather than on a 5-year average.

b. After 25 years of service a member on "early" retirement incurs a reduction of 6% a year for each year he lacks of attaining age 60; this would be reduced to 3% a year.

c. In the event of death before age 60 when a member is on "early" retirement, the noncontributory death benefit will now be payable.

d. Accidental death benefits will now include the payment of the noncontributory as well as the contributory death benefits, including payments to parents where other survivors are not eligible, and

e. Permits purchase of service when on official leave of absence.

The other liberalizations and administrative changes are:

f. A member receiving workmen's compensation benefits may elect the larger benefits provided by the retirment system while those in receipt of workmen's compensation benefits or on maternity leave will be covered under the noncontributory death benefit coverage.

g. Permits lump sum repayment of an outstanding loan balance.

h. Permits refund of contributions made by college faculty members on the basis of compensation earned during summer sessions.

i. Permits deductions from pensions for those participating in the group health insurance remittance plan or in the State Health Benefits Program.

j. Requires the employer to pay ½ of the employee's cost where more than 1 year has elapsed from the employee's compulsory enrollment in the fund.

k. Adds an additional trustee to be appointed by the Governor; permits the State Treasurer to designate the medical board.

l. Requires the pensioner to have had 10 years of service if a noncontributory death benefit is to be paid; no benefit will be payable if the amount is less than $25.00 a month; requires proof of insurability if the member is enrolled at an advanced age or makes application beyond the year after first becoming eligible.

m. To make these liberalizations financially possible, the accrued liabilities of the system as of June 30, 1970 are altered from the present 30-year amortization of such total liabilities to a 40-year schedule.

S-2186

FROM THE OFFICE OF THE GOVERNOR FOR RELEASE: April 5, 1971

Governor William T. Cahill today announced his support of a package of four bills to provide an additional $21.2 million in expanded retirement benefits and establish a more uniform and economical administration of the State's pension systems.

The bills were introduced today to liberalize benefits under the Pension Increase Act, the Public Employees Retirement System and the State Police Retirement System. Another bill providing major benefit increases in the Teachers Pension and Annuity Fund was introduced Thursday.

In the first year, the increased benefits in TPAF will amount to $8 million; increases in PERS will be $1.3 million for State pensioners and $1.8 million for municipal and county pensioners; in SPRS there will be an additional $100,000 in benefits and, in the Pension Increase Act there will be an additional $6.5 million for former State employees and $3.5 million for municipal and county pensioners.

However, one of the major administrative changes would achieve a reduction in the cost of the pension programs by refinancing the liability of the retirement system over a longer period of time. The savings from this refinancing will pay for the liberalized benefits.

Under proposed changes in the Pension Increase Act, the cost of living allowances will be expanded to reflect the economy's changes since 1965 for all pensioners. In addition, the bill qualifies an individual's survivors for a fixed, as well as cost of living, increase on the same basis of other pensioners.

Among the liberalized benefits provided for in the Teachers Pension and Annuity Fund and the Public Employees Retirement System are provisions to calculate retirement benefits on the basis of a three year average of the individual's highest salary rather then the present five year average. This would mean an increase of 10 to 20 per cent depending on the individual's length of service. Also the TPAF and the PERS bills cut in half the six percent reduction under early retirement provisions.

Under SPRS, death benefits after retirement are increased to half of the individual's salary.

Administratively, the bills permit individuals receiving Workmen's Compensation to choose the greater benefits provided under the retirement system if they cannot return to work, while those receiving Workmen's compensation or who are on maternity leave will be covered under the non-contributory death benefit program.

Cahill said, "These increased benefits recognize the rising cost of living and will provide those who have served local and State government with more equitable benefits. Those who have dedicated their energies and skills to public service are deserving of this consideration which will help make their years of retirement more comfortable and enjoyable."

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REMARKS IN CONNECTION WITH PUBLIC SIGNING
OF SENATE BILL NO. 2186

I have often stated my conviction that there is no more important profession than a career in government. During the past 15 months this Administration has given high priority to the improvement of living and working conditions for those who dedicate their lives to public service. Thus, we have sought not only to reward years of effort, but also to attract new and talented employees to State and local government.

The bill which I sign today is another step forward in meeting these objectives. While it relates solely to the teaching profession, it is one of seven bills to provide approximately $20 million in additional benefits for some 250,000 public employees.

In short, this legislation recognizes that the personal rewards of classroom teaching must be accompanied by compensation sufficient to keep pace with rising inflation and to provide for a secure future after retirement.

This legislation will therefore provide $8 million annually in additional benefits for members of the Teacher's Pension and Annuity Fund. It is far-reaching legislation which constitutes a major revision and upgrading of benefits for teachers. They range from an increase in the size of pension checks to non-contributory death benefit coverage during maternity leave. The cost of these benefits will be met by changing the financing period of the State's contribution to the fund from the present 30-year period to 40 years. There is, thus, no increased annual cost to the State.

The foremost benefits in this 34-page revision are as follows:

1. Pension benefits will be calculated on the highest three-year average of salaries, rather than on a five-year average. This provision will greatly increase the amount of pension payments.

4 any judge of a county court shall die while in office or shall die

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

2. The decrease in benefits for "early" retirement is reduced from 6% to 3% for each year a member lacks attaining age 60. Teachers can now enjoy early retirement without a severe reduction in benefits.

3. Non-contributory death benefits will now be provided for members on early retirement.

4. Accidental death benefits will now include payment of non-contributory, as well as contributory benefits.

5. Purchase of service credit during periods of official leave of absence will be permitted. This will result in increased benefits which may be enjoyed at an earlier age.

Some of the other benefits are concerned with the continuation of non-contributory death benefit coverage during maternity leave and while in receipt of workmen's compensation benefits, election of benefits in connection with workmen's compensation cases, and participation and payment for State health benefits is facilitated.

Much time, study and planning has made this entire program possible without any increase in the annual cost to fund these pension systems.

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