

ASSEMBLY, No. 2381

STATE OF NEW JERSEY

INTRODUCED APRIL 5, 1971

By Assemblymen McDONOUGH, KIEHN, KEAN, GAVAN  
and HIGGINS

Referred to Committee on Law, Public Safety and Defense.

AN ACT to amend and supplement the "State Police Retirement System Act," approved June 9, 1965 (P. L. 1965, c. 89).

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

1 1. Section 1 of P. L. 1965, c. 89 (C. 53:5A-1) is amended to read  
2 as follows:

3 1. Chapter 5 of Title 53 of the Revised Statutes of New Jersey  
4 and all amendments and supplements thereto, designated as the  
5 "State Police Retirement and Benevolent Fund," is repealed [as  
6 of the effective date of this act] *as of July 1, 1965.*

1 2. Section 2 of P. L. 1965, c. 89 (C. 53:5A-2) is amended to read  
2 as follows:

3 2. Repeal of chapter 5 of Title 53 of the Revised Statutes of New  
4 Jersey and all amendments and supplements thereto is subject to  
5 the following provisos:

6 a. Any person retired under any of the provisions of said chapter  
7 and receiving or entitled to receive benefits thereunder, prior to  
8-9 its repeal, shall continue to receive the same benefits or shall con-  
10 tinue to be entitled to receive the same benefits, to the same extent  
11 and in the same manner, as if such chapter had not been repealed.

12 b. Any beneficiary receiving an allowance or eligible to receive  
13 an allowance under such chapter shall continue to receive or be  
14 eligible to receive such allowance as provided under such chapter.

15 c. Any person electing to have deductions for medical and  
16 hospital insurance subtracted from his pension shall continue to  
17 have such deductions subtracted as if such chapter had not been  
18 repealed.

19 d. Any person retired for disability under such chapter and re-  
20 ceiving benefits or entitled to receive benefits thereunder and any

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

21 person receiving death benefits as a result of the death of a member  
 22 under such chapter, prior to its repeal, shall continue to receive  
 23 the same, or shall continue to be entitled to receive the same to such  
 24 extent and in such manner as if such chapter had not been repealed.

25 e. **Any person who, as of the effective date of this act, meets the**  
 26 **requirements for retirement under such chapter, may make such**  
 27 **application and be retired on or before the effective date of this act,**  
 28 **as if such chapter had not been repealed. He shall thereafter receive**  
 29 **benefits to the same extent and in the same manner as if such chap-**  
 30 **ter had not been repealed.] Deleted by amendment.**

31 f. **If any person having made contributions under such chapter**  
 32 **dies prior to its repeal, but before retirement, his eligible bene-**  
 33 **ficiaries shall receive the benefits provided by such chapter to the**  
 34 **same extent and in the same manner as if such chapter had not been**  
 35 **repealed.] Deleted by amendment.**

36 g. Interest on the contributions made by persons pursuant  
 37 to the provisions of such chapter shall cease to accrue as of **the**  
 38 **effective date of this act] June 30, 1965.**

39 h. **The contributions, and accumulated interest thereon, made**  
 40 **by persons pursuant to such chapter shall be transferred to the**  
 41 **Annuity Savings Fund of the retirement system established by this**  
 42 **act.] Deleted by amendment.**

43 i. **The accumulated reserves, constituting the moneys set aside**  
 44 **under such chapter for the payment of all pensions and death bene-**  
 45 **fits allowed, shall be transferred to and become merged with the**  
 46 **Retirement Reserve Fund of the retirement system established by**  
 47 **this act.] Deleted by amendment.**

48 j. **The authorization and direction to control and manage the**  
 49 **payment of benefits under the "State Police Retirement and**  
 50 **Benevolent Fund" is hereby transferred to the board of trustees**  
 51 **of the State Police Retirement System established by this act.]**  
 51A **Deleted by amendment.**

52 k. **The records of the "State Police Retirement and Benevolent**  
 53 **Fund" shall be transferred to the board of trustees of the State**  
 54 **Police Retirement System established by this act.] Deleted by**  
 55 **amendment.**

1 3. Section 3 of P. L. 1965, c. 89 (C. 53:5A-3) is amended to read  
 2 as follows:

3 3. As used in this act:

4 a. "Aggregate contributions" means the sum of all the amounts,  
 5 deducted from the salary of a member or contributed by him *or on*  
 6 *his behalf*, standing to the credit of his individual account in the  
 7 Annuity Savings Fund. Interest credited on contributions to the

8 former "State Police Retirement and Benevolent Fund" shall be  
9 included in a member's aggregate contributions.

10 b. "Annuity" means payments for life derived from the aggregate  
11 contributions of a member. [All annuities shall be paid in  
12 equal monthly installments.]

13 c. "Annuity reserve" means the present value of all payments  
14 to be made on account of any annuity or benefit in lieu of an annuity,  
15 computed upon the basis of such mortality tables *recommended*  
16 *by the actuary* as the board of trustees adopts and regular interest.

17 d. "Beneficiary" means any person entitled to receive any benefit  
18 pursuant to the provisions of this act by reason of the death of a  
19 member or retirant.

20 e. "Board of trustees" or "board" means the board provided  
21 *for in section 30 of* [by] this act [to administer this retirement  
22 system].

23 f. "Child" [shall mean] *means* a deceased member's *or retir-*  
24 *ant's* unmarried child either (a) under the age of 18 or (b) of any  
25 age who, at the time of the member's *or retirant's* death, is disabled  
26 because of mental retardation or physical incapacity, is unable to  
27 do any substantial, gainful work because of the impairment and  
28 his impairment has lasted or can be expected to last for a con-  
29 tinuous period of not less than 12 months, as affirmed by the medical  
30 board.

31 g. "Creditable service" means service rendered for which credit  
32 is allowed on the basis of contributions made by the member or the  
33 State.

34 h. ["Dependent parent"] "Parent" means the parent of a  
35 member who was receiving at least  $\frac{1}{2}$  of his support from the  
36 member in the 12-month period immediately preceding the mem-  
37 ber's death *or the accident which was the direct cause of the mem-*  
38 *ber's death.* The dependency of such a parent will be considered  
39 terminated by marriage of the parent subsequent to the death of  
40 the member.

41 i. "Final compensation" means the average compensation re-  
42 ceived by the member in the last 12 months of creditable service  
43 preceding his retirement or death. Such term includes the value  
44 of the member's maintenance allowance for this same period.

45 j. "Final salary" means the average salary received by the  
46 member in the last 12 months of creditable service preceding his  
47 retirement or death. Such term shall not include the value of the  
48 member's maintenance allowance.

49 k. "Fiscal year" means any year commencing with July 1 and  
50 ending with June 30 next following.

51 l. "Medical board" means the board of physicians provided for  
52 in *section 30* of this act.

53 m. "Member" means any full-time, commissioned officer, non-  
54 commissioned officer or trooper of the Division of State Police of  
55 the Department of Law and Public Safety of the State of New  
56 Jersey enrolled in the retirement system established by this act.

57 n. "Pension" means payment for life derived from contributions  
58 by the State. [All pensions shall be paid in equal monthly  
59 installments.]

60 o. "Pension reserve" means the present value of all payments  
61 to be made on account of any pension or benefit in lieu of any  
62 pension computed on the basis of such mortality tables *recom-*  
63 *mended by the actuary* as shall be adopted by the board of trustees  
64 and regular interest.

65 p. "Regular interest" means interest as determined annually by  
66 the State Treasurer after consultation with the Directors of the  
67 Divisions of Investment and Pensions and the actuary of the  
68 system. It shall bear a reasonable relationship to the percentage  
69 rate of earnings on investments but shall not exceed 105% of such  
70 percentage rate.

71 q. "Retirant" means any former member receiving a retirement  
72 allowance as provided by this act.

73 r. "Retirement allowance" means [the sum of] the pension  
74 [and] *plus* the annuity. [All retirement allowances shall be paid  
75 in equal monthly installments.]

76 s. "State Police Retirement System of New Jersey," herein also  
77 referred to as the "retirement system," is the corporate name of  
78 the arrangement for the payment of retirement allowances and  
79 of the benefits under the provisions of this act [and for the system]  
80 including the several funds [created and] placed under [the  
81 management of the board of trustees of] said system. By that  
82 name, all of its business shall be transacted, its funds invested,  
83 warrants for moneys drawn, and payments made and all of its  
84 cash and securities and other property held. All assets held in  
85 the name of the former "State Police Retirement and Benevolent  
86 Fund" shall be transferred to the retirement system established  
87 by this act.

88 t. "Widow" means the woman to whom a member *or a retirant*  
89 was married [before he attained 50] *at least 5 years* [of age]  
90 *before the date of his death* and to whom he continued to be married  
91 until the date of his death and who [has not remarried] *was receiv-*  
92 *ing at least 1/2 of her support from the member or retirant in the*  
93 *12-month period immediately preceding the member's or the retir-*

94. ant's death or the accident which was the direct cause of the  
 95 member's death. The dependency of such a widow will be considered  
 96 terminated by the marriage of the widow subsequent to the mem-  
 97 ber's or the retirant's death. In the event of the payment of an  
 98 accidental death benefit, the 5-year qualification shall be waived.

99 u. "Compensation" means the base salary, for services as a  
 100 member as defined in this act, which is in accordance with estab-  
 101 lished salary policies of the State for all employees in the same  
 102 position but shall not include individual salary adjustments which  
 103 are granted primarily in anticipation of the member's retirement  
 104 or additional remuneration for performing temporary duties  
 105 beyond the regular work day or shift.

1 4. Section 6 of P. L. 1965, c. 89 (C. 53:5A-6) is amended to read  
 2 as follows:

3 6. a. [Except as provided in subsection b. of this section, only  
 4 service] Service as a full time commissioned officer, noncommis-  
 5 sioned officer or trooper rendered as a member, and service credit  
 6 which was transferred from the former "State Police Retirement  
 7 and Benevolent Fund," shall, if the required contributions are  
 8 made by the State and the member, be considered as creditable  
 9 service. A member on suspension shall be considered in service for  
 10 the period of the suspension, but the period of suspension shall not  
 11 be considered as creditable service unless the member receives  
 12 salary therefor.

13 If an employee's membership has been terminated and he is re-  
 14 enrolled as a member of the retirement system, he may purchase  
 15 credit for all of his previous membership service by paying into  
 16 the annuity savings fund the amount required by applying the  
 17 factor, supplied by the actuary, as being applicable to his age at the  
 18 time of the purchase, to his salary at that time. Such purchase may  
 19 be made in regular installments equal to at least 1/2 the normal  
 20 contribution to the retirement system, over a maximum period of  
 21 10 years. In order to give to such person the same credit for such  
 22 service as he had at the time of termination, his pension credit shall  
 23 be restored as it was at the time of his termination upon the com-  
 24 pletion of 1 year of membership after his election to make the pur-  
 25 chase and the payment of at least 1/2 the total amount due, except  
 26 that in the case of retirement pursuant to sections 8, 27 and 28 of  
 27 chapter 89 of the laws of 1965, the credit granted for the service  
 28 being purchased shall be in direct proportion as the amount paid  
 29 bears to the total amount of the arrearage obligation.

30 b. Any member of the retirement system, who, prior to becoming  
 31 a member, had established service credits in another retirement

32 system supported in whole or in part by the State, or who had ren-  
 33 dered service to the State prior to becoming a member, for which  
 34 he desires to establish credit in this retirement system, shall be  
 35 permitted to purchase such credit [upon the payment of an amount  
 36 determined by the board of trustees on the basis of factors supplied  
 37 by the actuary, as being applicable to the member's age and salary  
 38 at the time he agrees to make the purchase]. If such credit is estab-  
 39 lished, it shall be included in the computation of a retirement allow-  
 40 ance on the basis of 1% of final compensation for each year of such  
 41 service credit.

42 c. Not more than 1 year shall be credited for all service in a  
 43 calendar year.

44 d. *In computing service, time during which a member was absent*  
 45 *on an official leave without pay shall be credited if such leave was*  
 46 *for a period of (1) less than 3 months or (2) up to a maximum of*  
 47 *2 years if the leave was due to the member's personal illness and the*  
 48 *period of leave is allowed for retirement purposes within 1 year*  
 49 *following his return to service after the termination of such leave.*

50 e. *The method of computation and the terms of the purchase of*  
 51 *service permitted by subsections b. and d. of this section shall be*  
 52 *identical to those stipulated for the purchase of previous member-*  
 53 *ship service by members of the system as provided by subsection a.*  
 54 *of this section.*

1 5. Section 7 of P. L. 1965, c. 89 (C. 53:5A-7) is amended to read  
 2 as follows:

3 7. Membership in the retirement system shall cease upon retire-  
 4 ment, withdrawal or death *or if service is discontinued for more*  
 5 *than 2 consecutive years.*

1 6. Section 8 of P. L. 1965, c. 89 (C. 53:5A-8) is amended to read  
 2 as follows:

3 8. a. Any member of the retirement system who was a member  
 4 of the former "State Police Retirement and Benevolent Fund" on  
 5 [the effective date of this act] *June 30, 1965*, may retire on a service  
 6 retirement allowance upon the attainment of age 50 years and the  
 7 completion of at least 20 years of creditable service *as a State*  
 8 *policeman*. Upon the filing of a written and duly executed appli-  
 9 cation with the retirement system, setting forth at what time, not  
 10 less than [30 days] *1 month*, subsequent to the filing thereof he  
 11 desires to be retired, any such member retiring for service shall re-  
 12 ceive a service retirement allowance which shall consist of:

13 (1) An annuity which shall be the actuarial equivalent of his  
 14 aggregate contributions [at the time of retirement,] and

15 (2) A pension in the amount which, when added to the member's  
16 annuity, will provide a total retirement allowance of 50% of his  
17 final compensation plus 1% of his final compensation multiplied by  
18 his number of years of creditable service which exceed 25 years of  
19 such service.

20 Any member of the retirement system who was a member of the  
21 former "State Police Retirement and Benevolent Fund" on [the  
22 effective date of this act] *June 30, 1965*, who has completed at least  
23 25 years of creditable service and who has [reached] *attained* the  
24 age of 55 years shall be retired forthwith [or] on the first day of  
25 the next calendar month.

26 b. Any member of the retirement system who was not a member  
27 of the formed "State Police Retirement and Benevolent Fund" on  
28 [the effective date of this act] *June 30, 1965* who has [reached]  
29 *attained* the age of 55 years shall be retired forthwith [or] on the  
30 first day of the next calendar month provided, however, such mem-  
31 ber, at his option, may continue in the employment of the Division  
32 of State Police upon the request of the superintendent, and with  
33 the concurrence of the Attorney General, for an additional year  
34 beyond the date upon which he would otherwise be required to  
35 retire hereunder, and such member may thereafter in each succeed-  
36 ing year continue in the employment of the Division of State Police  
37 upon the request of the superintendent, with the concurrence of the  
38 Attorney General, until he has [reached] *attained* the age of 65  
39 years, whereupon he shall be retired forthwith [or] on the first day  
40 of the next calendar month. Any such member retiring for service  
41 hereunder shall receive a service retirement allowance which shall  
42 consist of:

43 (1) An annuity which shall be the actuarial equivalent of his  
44 aggregate contributions [at the time of retirement,] and

45 (2) A pension in the amount which when added to the member's  
46 annuity will provide a total retirement allowance of 2% of his final  
47 compensation multiplied by his number of years of creditable  
48 service up to 25 plus 1% of his final compensation multiplied by his  
49 number of years of creditable service over 25.

50 c. Upon the receipt of proper proofs of the death of a member  
51 who has retired on a service retirement allowance, there shall be  
52 paid to [such person, if living, as he shall have nominated by  
53 written designation duly executed and filed with the retirement  
54 system, otherwise to the executor or administrator of] the mem-  
55 ber's [estate] *beneficiary*, an amount equal to [1/4]  $1/2$  of the final  
56 compensation received by the member.

1 7. Section 9 of P. L. 1965, c. 89 (C. 53:5A-9) is amended to read  
2 as follows:

3 9. a. Upon the written application by a member in service, *by*  
4 *one acting in his behalf* or by the State, any member, *under 55 years*  
5 *of age*, who has had 4 or more years of creditable service *as a State*  
6 *policeman* may be retired, **[but]** not less than **[30 days]** *1 month*  
7 next following the date of filing such application with the retire-  
8 ment system, on an ordinary disability retirement allowance;  
9 provided, that the medical board, after a medical examination of  
10 such member, shall certify that such member is mentally or  
11 physically incapacitated for the performance of his usual duty  
12 and of any other available duty in the Division of State Police  
13 which the Superintendent of State Police is willing to assign to him  
14 and that such incapacity is likely to be permanent and of such an  
15 extent that he should be retired.

16 b. Upon **[application]** *retirement* for ordinary disability, a mem-  
17 ber shall receive **[a service retirement allowance if he meets the**  
18 **requirements therefor, otherwise]** *an* ordinary disability retire-  
19 ment allowance which shall consist of:

20 (1) An annuity which shall be the actuarial equivalent of his  
21 aggregate contributions **[at the time of retirement;]** and

22 (2) A pension in the amount which, when added to the member's  
23 annuity, will provide a total retirement allowance of 1½% of final  
24 compensation multiplied by his number of years of creditable  
25 service but in no event shall the total allowance be less than 40%  
26 of final compensation.

27 c. Upon the receipt of proper proofs of the death of a member  
28 who has retired on an ordinary disability retirement allowance,  
29 there shall be paid to **[such person, if living, as he shall have**  
30 **nominated by written designation duly executed and filed with the**  
31 **retirement system, otherwise to the executor or administrator of]**  
32 the member's **[estate]** *beneficiary*, an amount equal to 3½ times  
33 the final compensation received by the member in the last year of  
34 creditable service; *provided, however, that if such death [occurs*  
35 *before]* *shall occur after* the member shall have **[reached]** *attained*  
36 *55 years of age [but if such death occurs thereafter, an]* *the* amount  
37 *payable shall equal [to ¼]* 1/2 of **[the final]** *such* compensation  
38 **[received by the member]** *instead of 3 1/2 times such compensation.*

1 8. Section 10 of P. L. 1965, c. 89 (C. 53:5A-10) is amended to read  
2 as follows:

3 10. a. Upon the written application by a member in service, *by*  
4 *one acting in his behalf* or by the State, any member may be retired,  
5 not less than **[30 days]** *1 month* next following the date of filing

6 such application, on an accidental disability retirement allowance,  
7 provided, that the medical board, after a medical examination of  
8 such member, shall certify that the member is permanently and  
9 totally disabled as a direct result of a traumatic event occurring  
10 during and as a result of the performance of his regular or assigned  
11 duties and that such disability was not the result of the member's  
12 willful negligence and that such member is mentally or physically  
13 incapacitated for the performance of *his* usual duties in the Divi-  
14 sion of State Police which the Superintendent of State Police is  
15 willing to assign to him. The application to accomplish such  
16 retirement must be filed within 5 years of the original traumatic  
17 event, but the board of trustees may consider an application filed  
18 after the 5-year period if it can be factually demonstrated to the  
19 satisfaction of the board of trustees that the disability is due to  
20 the accident and the filing was not accomplished within the 5-year  
21 period due to a delayed manifestation of the disability or to the  
22 member's continued employment in a restricted capacity consistent  
23 with the nature of his disability in the Division of the State Police  
24 upon and at the written request of the superintendent, with the  
25 concurrence of the Attorney General, or *to* other circumstances  
26 beyond the control of the member.

27 b. Upon retirement for accidental disability, a member shall  
28 receive an accidental disability retirement allowance which shall  
29 consist of:

30 (1) An annuity which shall be the actuarial equivalent of **the**  
31 **member's** *his* aggregate contributions **at the time of retirement;**  
32 and

33 (2) A pension**,** **in addition** *in the amount which, when added to*  
34 *the member's annuity, will provide a total retirement allowance of*  
35  $\frac{2}{3}$  of his final compensation.

36 c. Upon the receipt of proper proofs of the death of a member  
37 who has retired on an accidental disability retirement allowance,  
38 there shall be paid to **such person, if living, as he shall have**  
39 **nominated by written designation duly executed and filed with the**  
40 **retirement system, otherwise to the executor or administrator of**  
41 **the member's** **estate** *beneficiary*, an amount equal to  $3\frac{1}{2}$  times  
42 the final compensation received by the member in the last year of  
43 creditable service; *provided, however, that if such death* **occurs**  
44 **before** *shall occur after* the member shall have **reached** *attained*  
45 55 years of age **but if such death occurs thereafter, an** *the amount*  
46 *payable shall equal* **to**  $\frac{1}{4}$   $1/2$  of **the** *such* **final** compensation  
47 **received by the member** *instead of*  $3\frac{1}{2}$  times such compensation.

48 d. Permanent and total disability resulting from a cardio-  
49 vascular, pulmonary or musculo-skeletal condition which was not  
50 a direct result of a traumatic event occurring in the performance  
51 of duty shall be deemed an ordinary disability.

1 9. Section 11 of P. L. 1965, c. 89 (C. 53:5A-11) is amended to  
2 read as follows:

3 11. a. Upon the receipt by the retirement system of a written  
4 application for a disability retirement allowance, the system shall  
5 refer the application to the medical board, which shall designate a  
6 physician or physicians to examine the applicant and the report of  
7 the medical board shall be considered by the board of trustees in  
8 acting upon such application.

9 *Once each year the retirement system may, and upon his applica-*  
10 *tion shall, require any retirant under the age of 55 years who has*  
11 *been retired on a disability retirement allowance, to undergo*  
12 *medical examination by a physician or physicians designated by*  
13 *the system for a period of 5 years following his retirement in order*  
14 *to determine whether or not the disability which existed at the*  
15 *time he was retired has vanished or has materially diminished.*

16 *If the report of the medical board shall show that such retirant*  
17 *is able to perform either his former duty or any other available duty*  
18 *in the Division of State Police which his employer is willing to*  
19 *assign to him, the retirant shall report for duty; such a retirant*  
20 *shall not suffer any loss of benefits while he awaits his restoration*  
21 *to active service. If the retirant fails to submit to any such medical*  
22 *examination or fails to return to duty within 10 days after being*  
23 *ordered so to do, or within such further time as may be allowed by*  
24 *the board of trustees for valid reason, as the case may be, the*  
25 *pension shall be discontinued during such default.*

26 b. If a disability retirant, under age 55, who was not a member of  
27 the former "State Police Retirement and Benevolent Fund" on  
28 [the effective date of this act] June 30, 1965, [engages] is engaged  
29 in an occupation paying more than the difference between (1) his  
30 retirement allowance and (2) the salary and maintenance now  
31 attributable to his former position in the Division of State Police,  
32 the amount of his pension shall be reduced to an amount which,  
33 together with the annuity and the amount of his earnings, shall  
34 equal the amount of the salary and maintenance now attributable to  
35 his former position in the Division of State Police. Should his  
36 earnings be later changed, the amount of his pension shall be  
37 further modified, provided, that the new pension shall not exceed  
38 the amount of the pension originally granted.

39 c. If a disability retirant is restored to active service, his retire-  
40 ment allowance and the right to any death benefit as a result of his  
41 former membership shall be canceled until he again retires.

42 Such person shall be reenrolled in the retirement system and  
43 shall contribute thereto. Such person shall be treated as an active  
44 member for determining disability or death benefits while in service.

45 Upon subsequent retirement of such member, he shall receive a  
46 retirement allowance based on all his service as a member computed  
47 in accordance with applicable provisions of this act, but the total  
48 retirement allowance upon subsequent retirement shall not be a  
49 greater proportion of his final compensation than the proportion  
50 to which he would have been entitled had he remained in service  
51 during the period of his prior retirement. Any death benefit to  
52 which such member shall be eligible shall be based on his latest  
53 retirement.

1 10. Section 12 of P. L. 1965, c. 89 (C. 53:5A-12) is amended to  
2 read as follows:

3 12. a. Upon the receipt of proper proofs of the death in *active*  
4 service of a member of the retirement system who was a member  
5 of the former "State Police Retirement and Benevolent Fund" on  
6 account of which no [service connected] *accidental* death benefit is  
7 payable, there shall be paid to his widow a pension of 50% of final  
8 compensation for the use of herself and children of the deceased, to  
9 continue during her widowhood; if there is no surviving widow or  
10 in case the widow dies or remarries, 20% of final compensation will  
11 be payable to one surviving child, 35% of final compensation to two  
12 surviving children in equal shares and if there be three or more  
13 children, 50% of final compensation will be payable to such children  
14 in equal shares.

15 If there is no surviving widow or child, 25% of final compensa-  
16 tion will be payable to one surviving [dependent] parent or 40% of  
17 final compensation will be payable to two surviving [dependent]  
18 parents in equal shares.

19 b. If there is no surviving widow, child or [dependent] parent,  
20 there shall be paid to any other beneficiary[, if living, as the mem-  
21 ber shall have nominated by written designation duly executed and  
22 filed with the retirement system, otherwise to the executor or  
23 administrator of the member's estate] of the deceased member his  
24 aggregate contributions at the time of death.

25 c. In no case shall the death benefit provided in subsection a. be  
26 less than that provided under subsection b.

27 d. In addition to the foregoing benefits payable under subsection  
28 a. or b., there shall also be paid in one sum to [such beneficiary, if

29 living, as the member shall have nominated by written designation  
30 duly executed and filed with the retirement system, otherwise to the  
31 executor or administrator of] the member's [estate] beneficiary,  
32 an amount equal to 3½ times final compensation.

33 e. [A member may file, and alter from time to time during his  
34 lifetime, as desired, a request with the retirement system naming  
35 the payee of the death benefit provided under subsection b. and  
36 subsection d. Such member may also file, and alter from time to  
37 time during his lifetime, as desired, a request with the retirement  
38 system directing payment of said benefit or benefits in one sum or  
39 in equal annual installments over a period of years or as a life  
40 annuity. Upon the death of such member a beneficiary to whom a  
41 benefit is payable in one sum may elect to receive the amount pay-  
42 able in equal annual installments over a period of years or as a life  
43 annuity.] *Deleted by amendment.*

44 f. [For the purposes of subsection d. of this section, a member  
45 shall be deemed to be in service for a period of no more than 93  
46 days while on an official leave of absence without pay.] *Deleted by  
47 amendment.*

1 11. Section 13 of P. L. 1965, c. 89 (C. 53:5A-13) is amended to  
2 read as follows:

3 13. a. Upon the receipt of proper proofs of the death in *active*  
4 service of a member of the retirement system who was not a member  
5 of the former "State Police Retirement and Benevolent Fund" on  
6 account of which no accidental death benefit is payable, there shall  
7 be paid to his widow a pension of 25% of final compensation for the  
8 use of herself, to continue during her widowhood, plus 15% of final  
9 compensation payable to one surviving child or plus 25% of final  
10 compensation to two or more surviving children; if there is no sur-  
11 viving widow or in case the widow dies or remarries, 20% of final  
12 compensation will be payable to one surviving child, 35% of final  
13 compensation to two surviving children in equal shares and if there  
14 be three or more children, 50% of final compensation will be payable  
15 to such children in equal shares.

16 If there is no surviving widow or child, 25% of final compensation  
17 will be payable to one surviving [dependent] parent or 40% of final  
18 compensation will be payable to two surviving [dependent] parents  
19 in equal shares.

20 b. If there is no surviving widow, child or [dependent] parent,  
21 there shall be paid to any other beneficiary[, if living, as the mem-  
22 ber shall have nominated by written designation duly executed and  
23 filed with the retirement system, otherwise to the executor or ad-

24 ministrator of the member's estate] of the deceased member his  
25 aggregate contributions at the time of death.

26 e. In no case shall the death benefit provided in subsection a. be  
27 less than that provided in subsection b.

28 d. In addition to the foregoing benefits payable under subsection  
29 a. or b., there shall also be paid in one sum to [such beneficiary, if  
30 living, as the member shall have nominated by written designation  
31 duly executed and filed with the retirement system, otherwise to the  
32 executor or administrator of] the member's [estate] beneficiary, an  
33 amount equal to 3½ times final compensation.

34 e. [A member may file, and alter from time to time during his  
35 lifetime, as desired, a request with the retirement system naming  
36 the payee of the death benefit provided under subsection b. and sub-  
37 section d. Such member may also file, and alter from time to time  
38 during his lifetime, as desired, a request with the retirement system  
39 directing payment of said benefit or benefits in one sum or in equal  
40 annual installments over a period of years or as a life annuity.  
41 Upon the death of such member a beneficiary to whom a benefit is  
42 payable in one sum may elect to receive the amount payable in equal  
43 annual installments over a period of years or as a life annuity.]

44 Deleted by amendment.

45 f. [For the purposes of subsection d. of this section, a member  
46 shall be deemed to be in service for a period of no more than 93 days  
47 while on an official leave of absence without pay.] Deleted by amend-  
48 ment.

1 12. Section 14 of P. L. 1965, c. 89 (C. 53:5A-14) is amended to  
2 read as follows:

3 14. a. Upon the death of a member *in active service as a result of*  
4 [before retirement, provided, that evidence shall be submitted to the  
5 board of trustees justifying the determination that the natural and  
6 proximate cause of such death was] an accident met in the actual  
7 performance of duty *at some definite time and place*, [within 5 years  
8 preceding the date of such death,] and [that] such death was not  
9 the result of the member's willful negligence, an accidental death  
10 benefit shall be payable *if a report of the accident is filed in the*  
11 *office of the Division of State Police within 60 days next following*  
12 *the accident, but the board of trustees may waive such time limit,*  
13 *for a reasonable period, if in the judgment of the board the circum-*  
14 *stances warrant such action. No such application shall be valid or*  
15 *acted upon unless it is filed in the office of the retirement system*  
16 *within 5 years of the date of such death.*

17 b. Upon the receipt of proper proofs of the death of a member on  
18 account of which [a service-connected] *an accidental* death benefit

19 is payable, there shall be paid to his widow a pension of 50% of final  
20 compensation for the use of herself and children of the deceased, to  
21 continue during her widowhood; if there is no surviving widow or  
22 in case the widow dies or remarries, 20% of final compensation will  
23 be payable to one surviving child, 35% of final compensation to two  
24 surviving children in equal shares and if there be three or more  
25 children, 50% of final compensation will be payable to such children  
26 in equal shares.

27 If there is no surviving widow or child, 25% of final compensation  
28 will be payable to one surviving [dependent] parent or 40% of final  
29 compensation will be payable to two surviving parents in equal  
30 shares.

31 *In the event of accidental death occurring in the first year of*  
32 *creditable service, the benefits, payable pursuant to this subsection,*  
33 *shall be computed at the annual rate of compensation.*

34 c. If there is no surviving widow, child or [dependent] parent,  
35 there shall be paid to any other beneficiary of the deceased member,  
36 [if living, as the member shall have nominated by written designa-  
37 tion duly executed and filed with the retirement system, otherwise  
38 to the executor or administrator of the member's estate] his aggregate  
39 contributions at the time of death.

40 d. In no case shall the death benefits provided in subsection b.  
41 be less than that provided under subsection c.

42 e. In addition to the foregoing benefits payable under subsection  
43 a. or b., there shall also be paid in one sum to [such beneficiary, if  
44 living, as the member shall have nominated by written designation  
45 duly executed and filed with the retirement system, otherwise to the  
46 executor or administrator of] the member's [estate] beneficiary,  
47 an amount equal to 3½ times final compensation.

48 f. [A member may file, and alter from time to time during his  
49 lifetime, as desired, a request with the retirement system naming  
50 the payee of the death benefit provided under subsection c. and sub-  
51 section e. Such member may also file, and alter from time to time  
52 during his lifetime, as desired, a request with the retirement system  
53 directing payment of said benefit or benefits in one sum or in equal  
54 annual installments over a period of years or as a life annuity.  
55 Upon the death of such member a beneficiary to whom a benefit is  
56 payable in one sum may elect to receive the amount payable in equal  
57 annual installments over a period of years or as a life annuity.]  
58 *Deleted by amendment.*

59 g. [For the purposes of subsection e. of this section, a member  
60 shall be deemed to be in service for a period of no more than 93 days

61 while on an official leave of absence without pay. **Deleted by amend-**  
62 *ment.*

1 13. Section 15 of P. L. 1965, c. 89 (C. 53:5A-15) is amended to  
2 read as follows:

3 15. a. In the case of any officer, noncommissioned officer or  
4 trooper of the Division of State Police of the Department of Law  
5 and Public Safety of the State of New Jersey becoming a member  
6 of the retirement system who was covered on the day immediately  
7 prior to **the effective date of this act** *July 1, 1965* under the then  
8 existing group life insurance program of the New Jersey State  
9 Police, the State Treasurer shall provide for death benefit coverage,  
10 in the amount described in this subsection for such member after  
11 he retires and receives a retirement allowance pursuant to the  
12 provisions of this act, subject to the conditions hereinafter stated.

13 (1) In order to obtain the coverage during retirement as herein  
14 provided, the member must make written request therefor to the  
15 **board** *retirement system* within 90 days of **the effective date**  
16 **of this act** *July 1, 1965* and must agree to make, after retirement,  
17 the contributions required for such coverage as described by sub-  
18 section c. of this section, except that if any such officer, noncom-  
19 missioned officer or trooper was disabled on **the effective date of**  
20 **this act** *July 1, 1965* but subsequently recovers from such disability  
21 and becomes a member of the retirement system, such request  
22 may be made within 90 days after the date he becomes a member  
23 of the retirement system.

24 (2) Each such officer, noncommissioned officer and trooper may  
25 cancel his request for the death benefit coverage described herein,  
26 either before or after retirement, by giving written notice to the  
27 retirement system.

28 The amounts of death benefits provided for under this subsection  
29 while the former member is receiving a retirement allowance  
30 pursuant to this act shall be the same amount or amounts as  
31 would have been continued for such former member after his  
32 retirement under the group life insurance program, hereinabove  
33 referred to, had such program remained in effect and unchanged  
34 and such former member had remained covered thereunder, less  
35 an amount equal to **1/4**  $1/2$  of the member's final compensation.  
36 **The Superintendent of the State Police shall, upon request, certify**  
37 to the board of trustees the names of the officers, noncommissioned  
38 officers and troopers to whom this subsection could have application  
39 and such other information as may be necessary in order for the  
40 board to determine the amounts of death benefit under this sub-  
41 section. **]**

42 b. The State Treasurer shall provide on and after [the effective  
43 date of this act] *July 1, 1965* for death benefit coverage in the  
44 amounts described in this subsection for each former officer, non-  
45 commissioned officer and trooper who was covered on the day  
46 immediately prior to [the effective date of this act] *July 1, 1965*  
47 under the then existing group life insurance program of the New  
48 Jersey State Police and was then retired and receiving retirement  
49 benefits under the provisions of the former State Police Retirement  
50 and Benevolent Fund, subject to the conditions hereinafter stated:

51 (1) In order to obtain the death benefit coverage as herein pro-  
52 vided, such former officer, noncommissioned officer or trooper must  
53 make the contributions required for such coverage as described in  
54 subsection c. of this section.

55 (2) If coverage or benefits are afforded a former officer, non-  
56 commissioned officer or trooper under the aforesaid group life  
57 insurance program of the New Jersey State Police after [the effec-  
58 tive date of this act] *July 1, 1965* by reason of his disability, the  
59 death benefits provided by this subsection shall in no event apply  
60 to him unless such coverage and benefits shall cease by reason of  
61 his recovery from disability. In such event the foregoing provi-  
62 sions of this subsection shall apply from the date of such cessation.  
63 The amounts of death benefit continued under this subsection shall  
64 be the same amount or amounts as would have been continued for  
65 such former officer, noncommissioned officer or trooper after his  
66 retirement under the group life insurance program, hereinabove  
67 referred to, had such program remained in effect and unchanged  
68 during his retirement and he had remained covered thereunder.  
69 [The Superintendent of the State Police shall, upon request, certify  
70 to the board of trustees the names of the former officers, noncom-  
71 missioned officers and troopers to whom this subsection applies  
72 and such information as may be necessary in order for the board  
73 to determine the amounts of death benefit under this subsection.]

74 c. The contributions required during retirement for the death  
75 benefit coverage provided for by this section shall be determined  
76 from the schedules of contributions established by the [board of  
77 trustees] *retirement system*. [Such schedules shall be subject to  
78 adjustment by the board from time to time.] Such contributions  
79 shall be deducted from the former officer's, noncommissioned  
80 officer's or trooper's retirement allowance or benefits but if there  
81 be no retirement allowance or benefits available from which such  
82 contributions may be deducted, it shall be the obligation of such  
83 former officer, noncommissioned officer or trooper to make such

84 contribution directly to the retirement system, as required by the  
85 system.

86 d. Upon receipt of proper proofs of the death of any former  
87 officer, noncommissioned officer or trooper of the New Jersey State  
88 Police while covered for death benefit coverage pursuant to the  
89 provisions of this section, there shall be paid to such [person, if  
90 living, as the former officer, noncommissioned officer or trooper  
91 shall have nominated by written designation duly executed and  
92 filed with the retirement system, otherwise to the executor or  
93 administrator of the] former officer's, noncommissioned officer's  
94 or trooper's [estate] *beneficiary*, the amount for which he is  
95 covered at the time of his death pursuant to said subsection a. or  
96 said subsection b., as the case may be.

97 e. Any other provision of this act notwithstanding, the contribu-  
98 tions of any person for death benefit coverage under this section  
99 shall not be returnable to such person or his beneficiary or death  
100 benefit payee in any manner, or for any reason whatsoever, nor  
101 shall such contributions be included in any annuity payable to any  
102 such person or his beneficiary.

1 14. Section 21 of P. L. 1965, c. 89 (C. 53:5A-21) is amended to  
2 read as follows:

3 21. Any such group policy or policies shall include, with respect  
4 to any insurance terminating *or reducing* because an insured per-  
5 son has ceased to be in *active* service or has retired, the conversion  
6 privilege available upon termination of employment as prescribed  
7 by the law relating to group life insurance; and shall also include,  
8 with respect to insurance terminating because of termination of the  
9 group policy resulting from a termination of all death benefits  
10 established under sections 8 c., 9 c., 10 c., 12 d., 13 d., 14 e., 15, 27 b.  
11 and 28 [b.] the conversion privilege available upon termination of  
12 the group policy as prescribed by such law. Any such group policy or  
13 policies shall also provide that if an insured person dies during the  
14 31-day period during which he would be entitled to exercise the  
15 conversion privilege, the amount of insurance with respect to which  
16 he could have exercised the conversion privilege shall be paid as a  
17 claim under the group policy.

18 If any member who has exercised the conversion privilege under  
19 the group policy or policies again becomes a member of the retire-  
20 ment system, and the individual policy obtained pursuant to the  
21 conversion privilege is still in force, he shall not again be eligible  
22 for any of the death benefits provided by sections 8 c., 9 c., 10 c.,  
23 12 d., 13 d., 14 e., 15, 27 b. and 28 [b.], unless he furnishes satis-  
24 factory evidence of insurability.

25 When benefits payable upon the death of a member following  
 26 retirement are determined as though he were an active member at  
 27 the time of his death, the death benefit payable under the group  
 28 policy or policies together with the amount of insurance paid under  
 29 any individual policy obtained under the conversion privilege, shall  
 30 in no event exceed the amount of insurance for which the member  
 31 was insured under the group policy or policies immediately prior  
 32 to the date the right of conversion arose.

1 15. Section 23 of P. L. 1965, c. 89 (C. 53:5A-23) is amended to  
 2 read as follows:

3 23. Any such group policy or policies shall provide that payment  
 4 of any death benefits which are payable by the insurance company  
 5 may be made in one sum directly to the beneficiary as hereinafter  
 6 provided, in equal [annual] installments over a period of years or  
 7 as a life annuity or in such other manner as may be made available  
 8 by the insurance company. An insured person may make such  
 9 arrangements for settlement, and may alter from time to time  
 10 during his lifetime any arrangement previously made, by making  
 11 written request to the insurance company through the policyholder.  
 12 Upon the death of an insured person, a beneficiary to whom a  
 13 benefit is payable in one sum by the insurance company may like-  
 14 wise arrange for a settlement as described above. If an insured  
 15 person's or beneficiary's request for settlement of any death bene-  
 16 fit in equal [annual] installments over a period of years or as a  
 17 life annuity pursuant to the foregoing is approved by the policy-  
 18 holder, the amount of such [annual] installments or such life  
 19 annuity, as the case may be, shall be determined on the basis of  
 20 such applicable mortality tables [and rates of interest] as shall  
 21 have been adopted by the retirement system and are in effect at  
 22 the death of the insured person. Any arrangement for payment  
 23 under the group policy to a beneficiary shall be in lieu of that pro-  
 24 vided by sections 8 c., 9 c., 10 c., 12 d., 13 d., 14 e., 15, 27 b. and  
 25 28 [b.].

1 16. Section 26 of P. L. 1965, c. 89 (C. 53:5A-26) is amended to  
 2 read as follows:

3 26. A member who withdraws from service or ceases to be a  
 4 member for any cause other than death or retirement shall receive  
 5 the amount of his aggregate contributions *less any outstanding loan*  
 6 upon the filing of a written application as required by the retire-  
 7 ment system. *If such member shall die before filing an application*  
 8 *for withdrawal or before endorsing the check constituting the*  
 9 *return of his aggregate contributions, such contributions shall be*  
 10 *paid to his beneficiary.*

11 *No member shall be entitled to withdraw the amounts contributed*  
 12 *by the State covering his military leave unless he shall have re-*  
 13 *turned to the payroll and contributed to the retirement system for*  
 14 *a period of 90 days.*

1 17. Section 27 of P. L. 1965, c. 89 (C. 53:5A-27) is amended to  
 2 read as follows:

3 27. a. Should a member resign after having **[completed]**  
 4 *established 25 years of creditable service as a full time commis-*  
 5 *sioned officer, noncommissioned officer or trooper of the Division of*  
 6 *State Police, before reaching **[service retirement]** age 55, he may*  
 7 *elect **[to]** "early" retirement, provided, that such election is com-*  
 8 *municated by such member to the retirement system by filing a*  
 9 *written application, duly attested, stating at what time subsequent*  
 10 *to the execution and filing thereof he desires to be retired. He shall*  
 11 *receive, in lieu of the payment provided in section 26, a retirement*  
 12 *allowance which shall consist of:*

13 (1) an annuity which shall be the actuarial equivalent of his  
 14 aggregate contributions and,

15 (2) a pension in the amount, which when added to the member's  
 16 annuity will provide a total retirement allowance of 2% of his final  
 17 compensation multiplied by his number of years of creditable  
 18 service up to 25 plus 1% of his final compensation multiplied by his  
 19 number of years of creditable service over 25; provided, however,  
 20 that such retirement allowance shall be reduced in accordance with  
 21 a table of actuarial equivalents recommended by the actuary and  
 22 adopted by the **[board of trustees]** *retirement system* reflecting all  
 23 months that the member lacks of being age 55.

24 *The board of trustees shall retire him at the time specified or at*  
 25 *such other time within 1 month after the date so specified as the*  
 26 *board finds advisable.*

27 b. Upon the receipt of proper proof of the death of such a retired  
 28 member, there shall be paid to **[such person, if living, as he shall**  
 29 **have nominated by written designation duly executed and filed**  
 30 **with the retirement system, otherwise to the executor or admin-**  
 31 **istrator of]** the member's **[estate]** *beneficiary*, an amount equal to  
 32 **[1/4]** *1/2* of the final compensation received by the member.

1 18. Section 28 of P. L. 1965, c. 89 (C. 53:5A-28) is amended to  
 2 read as follows:

3 28. a. Should a member, after having **[completed]** *established*  
 4 **[25]** *15 years of creditable service as a full time commissioned*  
 5 *officer, noncommissioned officer or trooper of the Division of State*  
 6 *Police, be separated voluntarily or involuntarily from the service,*  
 7 *before reaching **[service retirement]** age 55, and not by removal for*

8 cause or charges of misconduct or delinquency, such person may  
9 elect to receive the payments provided for in sections 26 or 27 or a  
10 deferred retirement allowance, beginning [at] *on the first day of*  
11 *the month following his attainment of age 55 and the filing of an*  
12 *application therefor*, which shall consist of:

13 (1) an annuity which shall be the actuarial equivalent of his  
14 aggregate contributions at the time of [retirement] *his severance*  
15 *from the service*, and

16 (2) a pension in the amount which, when added to the member's  
17 annuity, will provide a total retirement allowance of 2% of his final  
18 compensation multiplied by his number of years of creditable ser-  
19 vice up to 25 plus 1% of his final compensation multiplied by his  
20 number of years of creditable service over 25, provided that [such  
21 election is communicated by such member to the retirement system  
22 in writing stating at what time subsequent to the execution and  
23 filing thereof he desires to be retired; and provided further, that]  
24 such *inactive* member may [later] elect to receive payments pro-  
25 vided under sections 26 or 27 *if he had qualified under that latter*  
26 *section at the time of leaving service, except that in order to avail*  
27 *himself of the option, he must exercise such option at least 1 month*  
28 *before the effective date of his retirement.* [ , or if ] *If such inactive*  
29 *member shall die before attaining age 55, his aggregate contribu-*  
30 *tions shall be paid [to such person, if living, as he shall have nomi-*  
31 *nated by written designation duly executed and filed with the retire-*  
32 *ment system, otherwise to the executor or administrator of the*  
33 *member's estate.] in accordance with section 26 and, in addition if*  
34 *such inactive member shall die after attaining age 55 but before*  
35 *filing an application for retirement benefits pursuant to this section*  
36 *or section 27 and for which benefits he would have qualified and has*  
37 *not withdrawn his aggregate contributions, or in the event of death*  
38 *after retirement, an amount equal to 1/2 of the final compensation*  
39 *received by the member shall be paid to such member's beneficiary.*

40 b. [Upon the receipt of proper proofs of the death of a member  
41 who was receiving a deferred retirement allowance, there shall be  
42 paid to such person, if living, as he shall have nominated by written  
43 designation duly executed and filed with the retirement system,  
44 otherwise to the executor or administrator of the member's estate,  
45 an amount equal to  $\frac{1}{4}$  of the final compensation received by the  
46 member.] *Deleted by amendment.*

47 c. *Any member who, having elected to receive a deferred retire-*  
48 *ment allowance, again becomes an employee covered by the retire-*  
49 *ment system while under the age of 55, shall thereupon be reenrolled.*

50 *He shall be credited with all service as a member standing to his*  
 51 *credit at the time of his election to receive a deferred retirement*  
 52 *allowance.*

1 19. Section 29 of P. L. 1965, c. 89 (C. 53:5A-29) is amended to  
 2 read as follows:

3 29. Any member who has at least 3 years of service *to his credit*  
 4 *for which he has contributed as a member may borrow from the*  
 5 *retirement system, an amount equal to not more than 50% of the*  
 6 *amount of his aggregate contributions, but not less than \$50.00;*  
 7 *provided, that the amount so borrowed, together with interest*  
 8 *thereon, can be repaid by additional deductions from salary, not in*  
 9 *excess of 25% of the member's salary, made at the time the salary*  
 10 *is paid to the member but not after the attainment of age 55. The*  
 11 *amount so borrowed, together with interest at the rate of 4% per*  
 12 *annum on any unpaid balance thereof, shall be repaid to the retire-*  
 13 *ment system in equal installments by deductions from the salary of*  
 14 *the member at the time the salary is paid or in such lump sum*  
 15 **[amounts as the board of trustees shall approve,]** *amount to repay*  
 16 *the balance of the loan but such installments shall be at least equal*  
 17 *to the member's rate of contribution to the retirement system and*  
 18 *at least sufficient to repay the amount borrowed with interest*  
 19 *thereon by the time the member attains age 55. Not more than two*  
 20 *loans may be granted to any member in any calendar year. Notwith-*  
 21 *standing any other law affecting the salary or compensation of any*  
 22 *person or persons to whom this act applies or shall apply, the addi-*  
 23 *tional deductions required to repay the loan shall be made. Any*  
 24 *unpaid balance of a loan at the time any benefit may become payable*  
 25 *shall be deducted from the benefit otherwise payable.*

26 Loans **[may]** *shall* be made to a member from his aggregate con-  
 27 tributions. **[In addition the board of trustees is hereby authorized**  
 28 **to set aside moneys within the contingent reserve fund from which**  
 29 **loans to members may be made. If such moneys are used for the**  
 30 **purpose of making loans, the]** *The* interest earned on such loans  
 31 shall be treated in the same manner as interest earned from invest-  
 32 ments of the retirement system.

1 20. Section 30 of P. L. 1965, c. 89 (C. 53:5A-30) is amended to  
 2 read as follows:

3 30. a. Subject to the provisions of chapter 70 of the laws of 1955,  
 4 the general responsibility for the proper operation of the retire-  
 5 ment system is hereby vested in the board of trustees.

6 b. The board shall consist of five trustees as follows:

7 (1) Two active members of the system who shall be appointed  
 8 by the Superintendent of State Police, who shall serve at the

9 pleasure of the superintendent and until their successors are ap-  
10 pointed and one of whom shall be a commissioned officer of the  
11 Division of State Police.

12 (2) Two members to be appointed by the Governor, who shall  
13 serve at the pleasure of the Governor and until their successors  
14 are appointed and who shall be private citizens of the State of New  
15 Jersey *who are neither an officer thereof nor active or retired*  
16 *members of the system.*

17 (3) The State Treasurer *ex officio*. The Deputy State Treasurer,  
18 when designated for that purpose by the State Treasurer, may sit  
19 as a member of the board of trustees and when so sitting shall have  
20 all the powers and shall perform all the duties vested by this act in  
21 the State Treasurer.

22 c. Each trustee shall, after his appointment **[or election]**, take  
23 an oath of office that, so far as it devolves upon him, he will  
24 diligently and honestly fulfill his duties as a board member, that  
25 he will not knowingly violate or permit to be violated any of the  
26 provisions of the law applicable to the retirement system. Such  
27 oath shall be subscribed by the member taking it, and certified by  
28 the official before **[who]** *whom* it is taken, and immediately filed  
29 in the office of the Secretary of State.

30 d. If a vacancy occurs in the office of a trustee, the vacancy shall  
31 be filled **[for the unexpired term]** in the same manner as the office  
32 was previously filled.

33 e. The trustees shall serve without compensation, but they shall  
34 be reimbursed by the State for all necessary expenses that they  
35 may incur through service on the board. No employee member shall  
36 suffer loss of salary through the serving on the board.

37 f. Except as otherwise herein provided, no member of the board  
38 of trustees shall have any direct interest in the gains or profits of  
39 any investments of the retirement system; nor shall any member  
40 of the board of trustees directly or indirectly, for himself or as an  
41 agent in any manner use the moneys of the retirement system,  
42 except to make such current and necessary payments as are autho-  
43 rized by the board of trustees; nor shall any member of the board  
44 of trustees become an endorser or surety, or in any manner an  
45 obligor for moneys loaned to or borrowed from the retirement  
46 system.

47 g. Each trustee shall be entitled to one vote in the board. A  
48 majority vote of all trustees shall be necessary for any decision by  
49 the trustees at any meeting of said board.

50 h. Subject to the limitations of this act, the board of trustees  
51 shall **[, from time to time,]** *annually* establish rules and regulations

52 for the administration of the funds created by this act and for the  
 53 transactions of its business. *Such rules and regulations shall be*  
 54 *consistent with those adopted by the other pension funds within the*  
 55 *Division of Pensions in order to permit the most economical and*  
 56 *uniform administration of all such retirement systems.*

57 i. The actuary of the system shall be designated by the State  
 58 Treasurer after consultation with the Director of the Division of  
 59 Pensions, subject to veto by the board for valid reason. He shall be  
 60 the technical adviser of the board on matters regarding the opera-  
 61 tion of the funds created by the provisions of this act and shall  
 62 perform such other duties as are required in connection herewith.

63 j. The Attorney General shall be the legal adviser of the retire-  
 64 ment system.

65 k. The Chief of the Bureau of Police and Fire Funds of the  
 66 Division of Pensions of the State Department of the Treasury shall  
 67 be the secretary of the board.

68 l. The board of trustees shall keep a record of all of its proceed-  
 69 ings which shall be open to public inspection. **[It]** *The retirement*  
 70 *system shall publish annually a report showing the fiscal transac-*  
 71 *tions of the retirement system for the preceding year, the amount of*  
 72 *the accumulated cash and securities of the system and the last*  
 73 *balance sheet showing the financial condition of the system by*  
 74 *means of an actuarial valuation of the assets and liabilities of the*  
 75 *retirement system.*

76 m. The **[board of trustees]** *State Treasurer shall designate a*  
 77 *medical board [to be] after consultation with the Director of the*  
 78 *Division of Pensions, subject to veto by the board of trustees for*  
 79 *valid reason. It shall be composed of three physicians. [As*  
 80 *required, other physicians may be employed to examine members*  
 81 *where medical evidence is prescribed.] The medical board shall*  
 82 *pass on all medical examinations required under the provisions*  
 83 *of this act, and shall report in writing to the [board of trustees]*  
 84 *retirement system its conclusions and recommendations upon all*  
 85 *matters referred to it.*

86 n. The various funds created by this act shall be subject to the  
 87 supervision of the Department of Insurance of the State of New  
 88 Jersey.

1 21. Section 31 of P. L. 1965, c. 89 (C. 53:5A-31) is amended to  
 2 read as follows:

3 31. a. The board of trustees shall be and are hereby constituted  
 4 trustees of all the various funds established by this act except the  
 5 group insurance premium fund; provided, however, that all func-  
 6 tions, powers, and duties relating to the investment or reinvestment

7 of moneys of, and purchase, sale, or exchange of any investments or  
8 securities, of or for any fund established under this act, shall be  
9 exercised and performed by the Director of the Division of Invest-  
10 ment in accordance with the provisions of c. 270, P. L. 1950, as  
11 amended and supplemented.

12 b. The secretary of the board shall determine from time to time  
13 the cash requirements of the various funds established by this act  
14 and the amount available for investment, all of which shall be  
15 certified to the Director of the Division of Investment.

16 c. A member of the board of trustees to be designated by a  
17 majority vote thereof shall serve on the State Investment Council  
18 as a representative of said board of trustees, for a term of 1 year  
19 and until his successor is elected and qualified.

20 **【The finance committee of the board of trustees shall be**  
21 **appointed on or before July 1 of each calendar year by the chair-**  
22 **man of the board of trustees to serve through June 30 of the ensu-**  
23 **ing calendar year and until their successors are appointed. The**  
24 **finance committee of the board of trustees shall consist of three**  
25 **members of the board of trustees, one of whom shall be the State**  
26 **Treasurer.】**

27 d. The Treasurer of the State of New Jersey shall be the  
28 custodian of the several funds. All payments from said funds shall  
29 be made by him only upon vouchers signed by the secretary and the  
30 chairman of the board of trustees. A duly attested copy of the  
31 resolution of the board of trustees designating the chairman and  
32 bearing on its face specimen signatures of the chairman and the  
33 secretary shall be filed with the treasurer as his authority for mak-  
34 ing payments upon such vouchers.

35 e. The administration of the program shall be performed by the  
36 personnel of the Division of Pensions of the State Department of  
37 the Treasury and the costs of administration shall be borne by the  
38 State.

1 22. Section 32 of P. L. 1965, c. 89 (C. 53:5A-32) is amended to  
2 read as follows:

3 32. The actuary **【appointed by the board】** shall recommend such  
4 data as shall be necessary for actuarial valuation of the various  
5 funds created by this act. Once in every 5-year period **【after the**  
6 **effective date of this act,】** the actuary shall make an actuarial in-  
7 vestigation into the mortality, service and compensation experience  
8 of the members and beneficiaries and shall make a valuation of the  
9 assets and liabilities of the various funds created by this act. Upon  
10 the basis of such investigation and valuation, *with the advice of the*

11 *actuary*, the board shall adopt for the retirement system such  
12 mortality, service and other tables as shall be deemed necessary.

13 [Immediately after the establishment of the retirement system  
14 the actuary shall prepare and submit to the board the mortality  
15 and service tables which he recommends for adoption. The board  
16 shall adopt such tables as it deems necessary in accordance with this  
17 recommendation.]

1 23. Section 34 of P. L. 1965, c. 89 (C. 53:5A-34) is amended to  
2 read as follows:

3 34. The Contingent Reserve Fund shall be the fund in which shall  
4 be credited contributions made by the State.

5 a. Upon the basis of such tables *recommended by the actuary* as  
6 the board adopts and regular interest, the actuary shall compute  
7 annually the amount of the contribution, expressed as a proportion  
8 of the salaries paid to all [employees] *members*, which, if paid  
9 monthly during the entire prospective service of the [employees]  
10 *members*, will be sufficient to provide for the pension reserves  
11 required at the time of the discontinuance of active service, to cover  
12 all pensions to which they may be entitled or which are payable on  
13 their account and to provide for the amount of the death *and*  
14 *accidental disability* benefits payable on their account [by the  
15 State], which amount [are] *is* not covered by [accrued liability]  
16 *other contributions*[,] to be made as provided in [subsection b.  
17 hereof,] *this section* and the funds in hand available for such bene-  
18 fits. *This shall be known as the "normal contribution."*

19 b. Upon the basis of such tables *recommended by the actuary* as  
20 the board adopts, and regular interest, the actuary shall compute  
21 [annually,] the amount of the *unfunded liability as of June 30, 1971*  
22 which has accrued *on the basis of service rendered prior to July 1,*  
23 *1971 by all members, including the amount of the liability accrued*  
24 *by reason of allowances to be granted on account of services*  
25 *rendered by members of the former "State Police Retirement and*  
26 *Benevolent Fund"* which has not already been covered by previous  
27 State contributions to the former system, *and including the accrued*  
28 *liabilities established by chapter 89 of the laws of 1965.* Using the  
29 total amount of this *unfunded accrued liability* [remaining as a  
30 basis,] he shall compute the amount of the flat annual payment,  
31 which, if paid in each succeeding fiscal year, commencing with July  
32 1, [1966] 1972, for a period of [30] 40 years, will provide for this  
33 liability. *This shall be known as the "accrued liability*  
34 *contribution."*

35 c. The actuary shall certify annually the aggregate amount pay-  
36 able to the Contingent Reserve Fund in the ensuing year, which

37 amount shall be equal to the sum of the proportion of the earnable  
 38 salary of all members, computed as described in subsection a.  
 39 hereof and of the State's accrued liability contribution, payable in  
 40 the ensuing year, as described in subsection b. hereof. The State  
 41 shall pay into the Contingent Reserve Fund during the ensuing  
 42 year the amount so determined. In the event the amount certified  
 43 to be paid by the State includes amounts due for services rendered  
 44 by members to specific instrumentalities or authorities the total  
 45 amount so certified shall be paid to the retirement system by the  
 46 State; provided, however, the full cost attributable to such services  
 47 rendered to such instrumentalities and authorities shall be com-  
 48 puted separately by the actuary and the State shall be reimbursed  
 49 for such amounts by such instrumentalities or authorities.

50 The cash death benefits, payable as the result of contribution by  
 51 the State under the provisions of this act upon the death of a  
 52 member in active service and after retirement shall be paid from  
 53 the Contingent Reserve Fund.

1 24. Section 35 of P. L. 1965, c. 89 (C. 53:5A-35) is amended to  
 2 read as follows:

3 35. The Annuity Savings Fund shall be the fund in which shall  
 4 be *credited* [accumulated the contributions from the salary of]  
 5 *aggregate contributions by members or on their behalf* to provide  
 6 for their [annuities] *allowances*. The aggregate contributions of a  
 7 member withdrawn by him or paid to his estate or his designated  
 8 beneficiary in the event of his death as provided in this act shall be  
 9 paid from the Annuity Savings Fund. Upon the retirement [or  
 10 death] of a member where the aggregate contributions of the  
 11 member are to be provided in the form of an annuity, the aggregate  
 12 contributions of the member shall be transferred from the Annuity  
 13 Savings Fund to the Retirement Reserve Fund.

1 25. Section 36 of P. L. 1965, c. 89 (C. 53:5A-36) is amended to  
 2 read as follows:

3 36. The Retirement Reserve Fund shall be the fund [in which  
 4 shall be held the reserves on all retirement allowances and pensions  
 5 granted to members or their beneficiaries and] from which all  
 6 retirement allowances and pensions shall be paid. [It will be the  
 7 fund which will receive all of the accumulated reserves of the  
 8 former "State Police Retirement and Benevolent Fund," except as  
 9 otherwise provided.]

10 Upon the retirement of a member, [the] *his* aggregate contribu-  
 11 tions [of the member] shall be transferred to the Retirement  
 12 Reserve Fund from the Annuity Savings Fund. The reserve needed  
 13 to produce the balance of the retirement allowance shall be trans-

14 ferred from the Contingent Reserve Fund. If the [pension or  
15 annuity] *retirement allowance* of a member who has been retired is  
16 subsequently canceled, the appropriate reserve shall be transferred  
17 to the Annuity Savings Fund and the Contingent Reserve Fund.

18 Any surplus or deficit developing in the Retirement Reserve Fund  
19 shall be adjusted from time to time by transfer to or from the  
20 Contingent Reserve Fund by appropriate action of the [board of  
21 trustees with] *retirement system* upon the advice of the actuary.

1 26. Section 42 of P. L. 1965, c. 89 (C. 53:5A-42) is amended to  
2 read as follows:

3 42. Any person who shall knowingly make any false statement or  
4 shall falsify or permit to be falsified any record or records of this  
5 retirement system in any attempt to defraud such system as a result  
6 of such act shall be guilty of a misdemeanor and shall be punishable  
7 therefor under the laws of the State of New Jersey. Should any  
8 change or error in the records result in any member or person  
9 receiving from the retirement system more or less than he would  
10 have been entitled to receive had the records been correct, the  
11 [board of trustees] *retirement system* shall, as far as practicable,  
12 correct such error and adjust the payments in such manner that the  
13 actuarial equivalent of the benefit to which such member or bene-  
14 ficiary was correctly entitled shall be paid. *The actuarial equivalent*  
15 *of any shortage in required contributions at the time of retirement*  
16 *on account of misstatement of age, leave of absence, or clerical*  
17 *error, shall be deducted from the retirement allowance otherwise*  
18 *payable.*

1 27. Section 44 of P. L. 1965, c. 89 (C. 53:5A-44) is amended to  
2 read as follows:

3 44. [Whenever] *If possible, whenever* any [person] *retirant or*  
4 *beneficiary* shall, in writing, request [and authorize] the [retire-  
5 ment system] *Division of Pensions* to make deductions from his  
6 retirement allowance or pension for the purpose of paying  
7 premiums for [any hospital service plan and any medical-surgical  
8 plan which meets with minimum participation requirements  
9 established by rules and regulations of the board of trustees, the  
10 retirement system] *the pensioners' group health insurance plan or*  
11 *the State Health Benefits program, the division* may make such  
12 deductions and transmit the sums so deducted [directly] to the  
13 [company] *companies* carrying the [policy or] policies. Any such  
14 *written* authorization may be withdrawn by any [member] *retirant*  
15 *or beneficiary* upon filing [written] notice of such withdrawal with  
16 the [retirement system] *division.*

1 28. For the purposes of sections 12 d., 13 d., and 14 e. a member of  
2 the State Police Retirement System shall be deemed to be an active  
3 member for a period of no more than 93 days while on official leave  
4 of absence without pay when such leave is due to any reason other  
5 than illness, and for a period of not more than 1 year in the event  
6 of an official leave (a) to fulfill a residency requirement for an  
7 advanced degree, or (b) as a full-time student at an institution of  
8 higher education, and (1) while he is disabled due to sickness or  
9 injury arising out of or in the course of his employment as a  
10 member to whom this chapter applies, is not engaged in any gainful  
11 occupation, and is receiving or entitled to receive periodic benefits  
12 (including any commutation of, or substitute for, such benefits) for  
13 loss of time on account of such disability under or by reason of  
14 workmen's compensation law, occupational disease law or similar  
15 legislation and has not retired or terminated his membership; or  
16 (2) for a period of no more than 2 years while on an official leave  
17 of absence without pay if satisfactory evidence is presented to the  
18 retirement system that such leave of absence without pay is due  
19 to the member's personal illness other than an illness to which (1)  
20 above applies.

21 If a member dies within 30 days after the date of retirement or  
22 the date of board approval, whichever is later, a death benefit shall  
23 be payable only if he is deemed to be an active member in accordance  
24 with this section; provided, however, a member applying for dis-  
25 ability benefits shall be deemed an active member if he was covered  
26 by the death benefit provisions of the act at the termination of em-  
27 ployment, filed the application for disability retirement with the  
28 retirement system within 30 days following such termination of  
29 employment and dies within 30 days after the date of retirement  
30 or the date of board approval, whichever is later.

1 29. The designation of beneficiary by a member or retirant shall  
2 be made in writing on a form satisfactory to the retirement system,  
3 and filed with the retirement system. The member or retirant may,  
4 from time to time and without the consent of his death benefit  
5 designee, change the beneficiary by filing written notice of the  
6 change with the system on a form satisfactory to it. The new  
7 nomination will be effective on the date the notice, in proper form,  
8 is received by the system, and any prior nomination shall thereupon  
9 become void.

10 If more than one beneficiary is nominated and in such nomination  
11 the member or retirant has failed to specify their respective  
12 interests, the beneficiaries shall share equally. If any beneficiary  
13 predeceases the member or retirant, the interest of such beneficiary

14 shall terminate and shall be shared equally by such of the bene-  
15 ficiaries as survive the member or retirant, unless the member or  
16 retirant has made written request to the contrary in his beneficiary  
17 nomination.

18 Any amounts due for which there is no beneficiary at the death of  
19 a member, retirant or beneficiary shall be payable to the estate of  
20 such member, retirant or beneficiary.

21 Except with regard to the payment of the member's aggregate  
22 contributions and the payment of  $\frac{1}{2}$  of final compensation upon the  
23 death of a retirant as provided in sections 8 c., 9 c., 10 c., 15, 27 b.,  
24 and 28 of chapter 89 of the laws of 1965, a member may elect, by  
25 making written request to the retirement system, that the whole or  
26 any part of his death benefits be made payable to his beneficiary  
27 either as a life annuity or in equal installments over a period of  
28 years specified in such election, and may alter such election from  
29 time to time during his lifetime by again making such written  
30 request. In the event of a change of beneficiary, any previous  
31 arrangement by the member or retirant under this paragraph shall  
32 be void. The election set forth in this paragraph shall not apply  
33 or be available when the beneficiary is an estate, or a corporation,  
34 partnership, association, institution, trustee, or any fiduciary.

35 If at the member's death, an amount of death benefit would be  
36 payable to the beneficiary in a single sum, any election with regard  
37 to such amount which was available to the member immediately  
38 prior to his death in accordance with the provisions of the im-  
39 mediately preceding paragraph shall then be available to such  
40 beneficiary for the benefit of such beneficiary.

1 30. a. If any member of the retirement system receives periodic  
2 benefits payable under the Workmen's Compensation Law during  
3 the course of his active service, in lieu of his normal compensation,  
4 his regular salary deductions shall be paid to the retirement system  
5 by his employer. Such payments shall be computed, in accordance  
6 with section 38 of chapter 89 of the laws of 1965, at the rate of  
7 contribution on the base salary subject to the retirement system,  
8 just prior to the receipt of the workmen's compensation benefits.  
9 The moneys paid by the employer shall be credited to the member's  
10 account in the annuity savings fund and shall be treated as em-  
11 ployee contributions for all purposes. The employer will terminate  
12 the payment of these moneys when the periodic benefits payable  
13 under the Workmen's Compensation Law are terminated or when  
14 the member retires.

15 The member for whom the employer is making such payments,  
16 will be considered as if he were in the active service.

17 b. An application for retirement benefits may be approved by the  
18 board of trustees while the member, applying for such benefits, is in  
19 receipt of periodic benefits under the Workmen's Compensation  
20 Law. In this event the actuarial equivalent of such periodic bene-  
21 fits remaining to be paid shall be computed and will serve to reduce  
22 the pension portion of the retirement allowance payable to the  
23 retirant, subject to the provisions of section 31 of this amendatory  
24 and supplementary act.

1 31. Any other provision of this act notwithstanding, (a) no  
2 beneficiary of a retirant who enrolled as a member on or after July  
3 1, 1971 and who retired for any reason other than disability shall  
4 be entitled to receive benefits pursuant to the death benefit cover-  
5 ages provided by sections 8 c., 27 b. and 28 of chapter 89 of the laws  
6 of 1965 if the retirant had less than 10 years of service credit for  
7 retirement purposes at the time of retirement; and (b) no member  
8 or beneficiary shall be entitled to receive a monthly retirement  
9 allowance or other benefit payable pursuant to chapter 89 of the  
10 laws of 1965 unless the amount of the allowance or benefit would be  
11 at least \$25.00 per month.

1 32. a. Any person entitled to become a member of the State Police  
2 Retirement System shall not be allowed any of the death benefits  
3 established by sections 8 c., 9 c., 10 c., 12 d., 13 d., 14 e., 15, 27 b., and  
4 28, if (1) he makes application for membership beyond the year  
5 after he first became eligible for membership or (2) he is eligible  
6 for membership on the basis of special legislation, unless the  
7 member furnishes satisfactory evidence of insurability and on the  
8 effective date of his membership is actively at work and performing  
9 all his regular duties at his customary place of employment.

10 The effective date of coverage for such death benefits shall be  
11 the first day of the month which immediately follows the date when  
12 such evidence is determined to be satisfactory.

13 b. Such evidence of insurability will not be required of any  
14 person becoming a member of the State Police Retirement System  
15 upon transfer from another State-administered retirement system,  
16 if such system provided death benefits of a similar nature and the  
17 transferring member was covered by such benefits at the time of the  
18 transfer. If such transferring member was not covered by such  
19 benefits at the time of the transfer, he may be allowed the death  
20 benefits of the State Police Retirement System subject to the pro-  
21 visions of subsection a. of this section; provided, however, that any  
22 such member must furnish satisfactory evidence of insurability  
23 under the provisions of subsection a. of this section if he had been

24 unable or failed to give such evidence as a member of the system  
25 from which he transferred.

26 c. Any person who must furnish satisfactory evidence of in-  
27 surability under the provisions of this section and who ceases to be  
28 a member of the retirement system without such evidence having  
29 been given, shall continue to be subject to the same requirement if  
30 he subsequently becomes a member.

1 33. This act shall take effect immediately.

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#### STATEMENT

This legislation makes many changes in the sections of the act governing the State Police Retirement System 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. Increases the death benefit payable in the event of death after retirement to  $\frac{1}{2}$  of salary, and

b. Decreases the service requirement for deferred retirement.

The other liberalizations and administrative changes are:

c. A member receiving workmen's compensation benefits may elect the larger benefits provided by the retirement system while those in receipt of workmen's compensation benefits will be covered under the noncontributory death benefit coverage.

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

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

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

g. Permits the State Treasurer to designate the medical board.

h. 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 makes application beyond the year after first becoming eligible.

i. To make these liberalizations financially possible, the accrued liabilities of the system as of June 30, 1971 are altered from the present 30-year amortization of such total liabilities to a 40-year schedule.

ASSEMBLY AMENDMENTS TO  
ASSEMBLY, No. 2381

STATE OF NEW JERSEY

ADOPTED MAY 6, 1971

Amend page 4, section 3, line 89, after "married", delete "at least 5", insert "before he attained 50"; after "years", insert "of age".

Amend page 4, section 3, line 90, delete "before the date of his death".

Amend page 5, section 3, line 99, after "compensation", insert "for purposes of computing pension contributions".

Amend page 10, section 9, lines 9-25, delete in their entirety.

Amend page 11, section 9, lines 39-53, delete in their entirety.

CHAPTER 181 LAWS OF N. J. 1971  
APPROVED 6-1-71

[OFFICIAL COPY REPRINT]  
ASSEMBLY, No. 2381

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# STATE OF NEW JERSEY

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INTRODUCED APRIL 5, 1971

By Assemblymen McDONOUGH, KIEHN, KEAN, GAVAN  
and HIGGINS

Referred to Committee on Law, Public Safety and Defense.

AN ACT to amend and supplement the "State Police Retirement System Act," approved June 9, 1965 (P. L. 1965, c. 89).

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

1 1. Section 1 of P. L. 1965, c. 89 (C. 53:5A-1) is amended to read  
2 as follows:

3 1. Chapter 5 of Title 53 of the Revised Statutes of New Jersey  
4 and all amendments and supplements thereto, designated as the  
5 "State Police Retirement and Benevolent Fund," is repealed [as  
6 of the effective date of this act] *as of July 1, 1965.*

1 2. Section 2 of P. L. 1965, c. 89 (C. 53:5A-2) is amended to read  
2 as follows:

3 2. Repeal of chapter 5 of Title 53 of the Revised Statutes of New  
4 Jersey and all amendments and supplements thereto is subject to  
5 the following provisos:

6 a. Any person retired under any of the provisions of said chapter  
7 and receiving or entitled to receive benefits thereunder, prior to  
8-9 its repeal, shall continue to receive the same benefits or shall con-  
10 tinue to be entitled to receive the same benefits, to the same extent  
11 and in the same manner, as if such chapter had not been repealed.

12 b. Any beneficiary receiving an allowance or eligible to receive  
13 an allowance under such chapter shall continue to receive or be  
14 eligible to receive such allowance as provided under such chapter.

15 c. Any person electing to have deductions for medical and  
16 hospital insurance subtracted from his pension shall continue to  
17 have such deductions subtracted as if such chapter had not been  
18 repealed.

19 d. Any person retired for disability under such chapter and re-  
20 ceiving benefits or entitled to receive benefits thereunder and any

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

21 person receiving death benefits as a result of the death of a member  
 22 under such chapter, prior to its repeal, shall continue to receive  
 23 the same, or shall continue to be entitled to receive the same to such  
 24 extent and in such manner as if such chapter had not been repealed.

25 e. **Any person who, as of the effective date of this act, meets the**  
 26 requirements for retirement under such chapter, may make such  
 27 application and be retired on or before the effective date of this act,  
 28 as if such chapter had not been repealed. He shall thereafter receive  
 29 benefits to the same extent and in the same manner as if such chap-  
 30 ter had not been repealed.] *Deleted by amendment.*

31 f. **If any person having made contributions under such chapter**  
 32 dies prior to its repeal, but before retirement, his eligible bene-  
 33 ficiaries shall receive the benefits provided by such chapter to the  
 34 same extent and in the same manner as if such chapter had not been  
 35 repealed.] *Deleted by amendment.*

36 g. Interest on the contributions made by persons pursuant  
 37 to the provisions of such chapter shall cease to accrue as of **the**  
 38 effective date of this act] *June 30, 1965.*

39 h. **The contributions, and accumulated interest thereon, made**  
 40 by persons pursuant to such chapter shall be transferred to the  
 41 Annuity Savings Fund of the retirement system established by this  
 42 act.] *Deleted by amendment.*

43 i. **The accumulated reserves, constituting the moneys set aside**  
 44 under such chapter for the payment of all pensions and death bene-  
 45 fits allowed, shall be transferred to and become merged with the  
 46 Retirement Reserve Fund of the retirement system established by  
 47 this act.] *Deleted by amendment.*

48 j. **The authorization and direction to control and manage the**  
 49 payment of benefits under the "State Police Retirement and  
 50 Benevolent Fund" is hereby transferred to the board of trustees  
 51 of the State Police Retirement System established by this act.]  
 51A *Deleted by amendment.*

52 k. **The records of the "State Police Retirement and Benevolent**  
 53 Fund" shall be transferred to the board of trustees of the State  
 54 Police Retirement System established by this act.] *Deleted by*  
 55 *amendment.*

1 3. Section 3 of P. L. 1965, c. 89 (C. 53:5A-3) is amended to read  
 2 as follows:

3 3. As used in this act:

4 a. "Aggregate contributions" means the sum of all the amounts,  
 5 deducted from the salary of a member or contributed by him *or on*  
 6 *his behalf*, standing to the credit of his individual account in the  
 7 Annuity Savings Fund. Interest credited on contributions to the

8 former "State Police Retirement and Benevolent Fund" shall be  
9 included in a member's aggregate contributions.

10 b. "Annuity" means payments for life derived from the aggre-  
11 gate contributions of a member. [All annuities shall be paid in  
12 equal monthly installments.]

13 c. "Annuity reserve" means the present value of all payments  
14 to be made on account of any annuity or benefit in lieu of an annuity,  
15 computed upon the basis of such mortality tables *recommended*  
16 *by the actuary* as the board of trustees adopts and regular interest.

17 d. "Beneficiary" means any person entitled to receive any benefit  
18 pursuant to the provisions of this act by reason of the death of a  
19 member or retirant.

20 e. "Board of trustees" or "board" means the board provided  
21 *for in section 30 of* [by] this act [to administer this retirement  
22 system].

23 f. "Child" [shall mean] *means* a deceased member's *or retir-*  
24 *ant's* unmarried child either (a) under the age of 18 or (b) of any  
25 age who, at the time of the member's *or retirant's* death, is disabled  
26 because of mental retardation or physical incapacity, is unable to  
27 do any substantial, gainful work because of the impairment and  
28 his impairment has lasted or can be expected to last for a con-  
29 tinuous period of not less than 12 months, as affirmed by the medical  
30 board.

31 g. "Creditable service" means service rendered for which credit  
32 is allowed on the basis of contributions made by the member or the  
33 State.

34 h. ["Dependent parent"] "Parent" means the parent of a  
35 member who was receiving at least  $\frac{1}{2}$  of his support from the  
36 member in the 12-month period immediately preceding the mem-  
37 ber's death *or the accident which was the direct cause of the mem-*  
38 *ber's death*. The dependency of such a parent will be considered  
39 terminated by marriage of the parent subsequent to the death of  
40 the member.

41 i. "Final compensation" means the average compensation re-  
42 ceived by the member in the last 12 months of creditable service  
43 preceding his retirement or death. Such term includes the value  
44 of the member's maintenance allowance for this same period.

45 j. "Final salary" means the average salary received by the  
46 member in the last 12 months of creditable service preceding his  
47 retirement or death. Such term shall not include the value of the  
48 member's maintenance allowance.

49 k. "Fiscal year" means any year commencing with July 1 and  
50 ending with June 30 next following.

51 l. "Medical board" means the board of physicians provided for  
52 in *section 30* of this act.

53 m. "Member" means any full-time, commissioned officer, non-  
54 commissioned officer or trooper of the Division of State Police of  
55 the Department of Law and Public Safety of the State of New  
56 Jersey enrolled in the retirement system established by this act.

57 n. "Pension" means payment for life derived from contributions  
58 by the State. [All pensions shall be paid in equal monthly  
59 installments.]

60 o. "Pension reserve" means the present value of all payments  
61 to be made on account of any pension or benefit in lieu of any  
62 pension computed on the basis of such mortality tables *recom-*  
63 *mended by the actuary* as shall be adopted by the board of trustees  
64 and regular interest.

65 p. "Regular interest" means interest as determined annually by  
66 the State Treasurer after consultation with the Directors of the  
67 Divisions of Investment and Pensions and the actuary of the  
68 system. It shall bear a reasonable relationship to the percentage  
69 rate of earnings on investments but shall not exceed 105% of such  
70 percentage rate.

71 q. "Retirant" means any former member receiving a retirement  
72 allowance as provided by this act.

73 r. "Retirement allowance" means [the sum of] the pension  
74 [and] *plus* the annuity. [All retirement allowances shall be paid  
75 in equal monthly installments.]

76 s. "State Police Retirement System of New Jersey," herein also  
77 referred to as the "retirement system," is the corporate name of  
78 the arrangement for the payment of retirement allowances and  
79 of the benefits under the provisions of this act [and for the system]  
80 including the several funds [created and] placed under [the  
81 management of the board of trustees of] said system. By that  
82 name, all of its business shall be transacted, its funds invested,  
83 warrants for moneys drawn, and payments made and all of its  
84 cash and securities and other property held. All assets held in  
85 the name of the former "State Police Retirement and Benevolent  
86 Fund" shall be transferred to the retirement system established  
87 by this act.

88 t. "Widow" means the woman to whom a member *or a retirant*  
89 was married [before he attained 50] \**[at least 5]*\* *\*before he*  
90 *attained 50\** years [of age] *\*of age\** *\*[before the date of his*  
91 *death]\** and to whom he continued to be married until  
91A the date of his death and who [has not remarried] *was receiv-*  
92 *ing at least 1/2 of her support from the member or retirant in the*

93 12-month period immediately preceding the member's or the retir-  
 94 ant's death or the accident which was the direct cause of the  
 95 member's death. The dependency of such a widow will be considered  
 96 terminated by the marriage of the widow subsequent to the mem-  
 97 ber's or the retirant's death. In the event of the payment of an  
 98 accidental death benefit, the 5-year qualification shall be waived.

99 u. "Compensation" \*for purposes of computing pension  
 99A contributions\* means the base salary, for services as a  
 100 member as defined in this act, which is in accordance with estab-  
 101 lished salary policies of the State for all employees in the same  
 102 position but shall not include individual salary adjustments which  
 103 are granted primarily in anticipation of the member's retirement  
 104 or additional remuneration for performing temporary duties  
 105 beyond the regular work day or shift.

1 4. Section 6 of P. L. 1965, c. 89 (C. 53:5A-6) is amended to read  
 2 as follows:

3 6. a. [Except as provided in subsection b. of this section, only  
 4 service] Service as a full time commissioned officer, noncommis-  
 5 sioned officer or trooper rendered as a member, and service credit  
 6 which was transferred from the former "State Police Retirement  
 7 and Benevolent Fund," shall, if the required contributions are  
 8 made by the State and the member, be considered as creditable  
 9 service. A member on suspension shall be considered in service for  
 10 the period of the suspension, but the period of suspension shall not  
 11 be considered as creditable service unless the member receives  
 12 salary therefor.

13 If an employee's membership has been terminated and he is re-  
 14 enrolled as a member of the retirement system, he may purchase  
 15 credit for all of his previous membership service by paying into  
 16 the annuity savings fund the amount required by applying the  
 17 factor, supplied by the actuary, as being applicable to his age at the  
 18 time of the purchase, to his salary at that time. Such purchase may  
 19 be made in regular installments equal to at least 1/2 the normal  
 20 contribution to the retirement system, over a maximum period of  
 21 10 years. In order to give to such person the same credit for such  
 22 service as he had at the time of termination, his pension credit shall  
 23 be restored as it was at the time of his termination upon the com-  
 24 pletion of 1 year of membership after his election to make the pur-  
 25 chase and the payment of at least 1/2 the total amount due, except  
 26 that in the case of retirement pursuant to sections 8, 27 and 28 of  
 27 chapter 89 of the laws of 1965, the credit granted for the service  
 28 being purchased shall be in direct proportion as the amount paid  
 29 bears to the total amount of the arrearage obligation.

30 b. Any member of the retirement system, who, prior to becoming  
 31 a member, had established service credits in another retirement  
 32 system supported in whole or in part by the State, or who had ren-  
 33 dered service to the State prior to becoming a member, for which  
 34 he desires to establish credit in this retirement system, shall be  
 35 permitted to purchase such credit [upon the payment of an amount  
 36 determined by the board of trustees on the basis of factors supplied  
 37 by the actuary, as being applicable to the member's age and salary  
 38 at the time he agrees to make the purchase]. If such credit is estab-  
 39 lished, it shall be included in the computation of a retirement allow-  
 40 ance on the basis of 1% of final compensation for each year of such  
 41 service credit.

42 c. Not more than 1 year shall be credited for all service in a  
 43 calendar year.

44 d. *In computing service, time during which a member was absent*  
 45 *on an official leave without pay shall be credited if such leave was*  
 46 *for a period of (1) less than 3 months or (2) up to a maximum of*  
 47 *2 years if the leave was due to the member's personal illness and the*  
 48 *period of leave is allowed for retirement purposes within 1 year*  
 49 *following his return to service after the termination of such leave.*

50 e. *The method of computation and the terms of the purchase of*  
 51 *service permitted by subsections b. and d. of this section shall be*  
 52 *identical to those stipulated for the purchase of previous member-*  
 53 *ship service by members of the system as provided by subsection a.*  
 54 *of this section.*

1 5. Section 7 of P. L. 1965, c. 89 (C. 53:5A-7) is amended to read  
 2 as follows:

3 7. Membership in the retirement system shall cease upon retire-  
 4 ment, withdrawal or death *or if service is discontinued for more*  
 5 *than 2 consecutive years.*

1 6. Section 8 of P. L. 1965, c. 89 (C. 53:5A-8) is amended to read  
 2 as follows:

3 8. a. Any member of the retirement system who was a member  
 4 of the former "State Police Retirement and Benevolent Fund" on  
 5 [the effective date of this act] *June 30, 1965*, may retire on a service  
 6 retirement allowance upon the attainment of age 50 years and the  
 7 completion of at least 20 years of creditable service *as a State*  
 8 *policeman*. Upon the filing of a written and duly executed appli-  
 9 cation with the retirement system, setting forth at what time, not  
 10 less than [30 days] *1 month*, subsequent to the filing thereof he  
 11 desires to be retired, any such member retiring for service shall re-  
 12 ceive a service retirement allowance which shall consist of:

13 (1) An annuity which shall be the actuarial equivalent of his  
 14 aggregate contributions [at the time of retirement,] and

15 (2) A pension in the amount which, when added to the member's  
16 annuity, will provide a total retirement allowance of 50% of his  
17 final compensation plus 1% of his final compensation multiplied by  
18 his number of years of creditable service which exceed 25 years of  
19 such service.

20 Any member of the retirement system who was a member of the  
21 former "State Police Retirement and Benevolent Fund" on [the  
22 effective date of this act] *June 30, 1965*, who has completed at least  
23 25 years of creditable service and who has [reached] *attained* the  
24 age of 55 years shall be retired forthwith [or] on the first day of  
25 the next calendar month.

26 b. Any member of the retirement system who was not a member  
27 of the former "State Police Retirement and Benevolent Fund" on  
28 [the effective date of this act] *June 30, 1965* who has [reached]  
29 *attained* the age of 55 years shall be retired forthwith [or] on the  
30 first day of the next calendar month provided, however, such mem-  
31 ber, at his option, may continue in the employment of the Division  
32 of State Police upon the request of the superintendent, and with  
33 the concurrence of the Attorney General, for an additional year  
34 beyond the date upon which he would otherwise be required to  
35 retire hereunder, and such member may thereafter in each succeed-  
36 ing year continue in the employment of the Division of State Police  
37 upon the request of the superintendent, with the concurrence of the  
38 Attorney General, until he has [reached] *attained* the age of 65  
39 years, whereupon he shall be retired forthwith [or] on the first day  
40 of the next calendar month. Any such member retiring for service  
41 hereunder shall receive a service retirement allowance which shall  
42 consist of:

43 (1) An annuity which shall be the actuarial equivalent of his  
44 aggregate contributions [at the time of retirement,] and

45 (2) A pension in the amount which when added to the member's  
46 annuity will provide a total retirement allowance of 2% of his final  
47 compensation multiplied by his number of years of creditable  
48 service up to 25 plus 1% of his final compensation multiplied by his  
49 number of years of creditable service over 25.

50 c. Upon the receipt of proper proofs of the death of a member  
51 who has retired on a service retirement allowance, there shall be  
52 paid to [such person, if living, as he shall have nominated by  
53 written designation duly executed and filed with the retirement  
54 system, otherwise to the executor or administrator of] the mem-  
55 ber's [estate] *beneficiary*, an amount equal to [1/4]  $1/2$  of the final  
56 compensation received by the member.

1 7. Section 9 of P. L. 1965, c. 89 (C. 53:5A-9) is amended to read  
2 as follows:

3 9. a. Upon the written application by a member in service, *by*  
4 *one acting in his behalf* or by the State, any member, *under 55 years*  
5 *of age*, who has had 4 or more years of creditable service *as a State*  
6 *policeman* may be retired, **[but]** not less than **[30 days]** *1 month*  
7 next following the date of filing such application with the retire-  
8 ment system, on an ordinary disability retirement allowance;  
9 provided, that the medical board, after a medical examination of  
10 such member, shall certify that such member is mentally or  
11 physically incapacitated for the performance of his usual duty  
12 and of any other available duty in the Division of State Police  
13 which the Superintendent of State Police is willing to assign to him  
14 and that such incapacity is likely to be permanent and of such an  
15 extent that he should be retired.

16 b. Upon **[application]** *retirement* for ordinary disability, a mem-  
17 ber shall receive **[a service retirement allowance if he meets the**  
18 **requirements therefor, otherwise]** *an* ordinary disability retire-  
19 ment allowance which shall consist of:

20 (1) An annuity which shall be the actuarial equivalent of his  
21 aggregate contributions **[at the time of retirement;]** and

22 (2) A pension in the amount which, when added to the member's  
23 annuity, will provide a total retirement allowance of 1½% of final  
24 compensation multiplied by his number of years of creditable  
25 service but in no event shall the total allowance be less than 40%  
26 of final compensation.

27 c. Upon the receipt of proper proofs of the death of a member  
28 who has retired on an ordinary disability retirement allowance,  
29 there shall be paid to **[such person, if living, as he shall have**  
30 **nominated by written designation duly executed and filed with the**  
31 **retirement system, otherwise to the executor or administrator of]**  
32 the member's **[estate]** *beneficiary*, an amount equal to 3½ times  
33 the final compensation received by the member in the last year of  
34 creditable service; *provided, however, that* if such death **[occurs**  
35 **before]** *shall occur after* the member shall have **[reached]** *attained*  
36 55 years of age **[but if such death occurs thereafter, an]** *the* amount  
37 *payable shall* equal **[to ¼]** 1/2 of **[the final]** *such* compensation  
38 **[received by the member]** *instead of 3 1/2 times such compensation.*

1 8. Section 10 of P. L. 1965, c. 89 (C. 53:5A-10) is amended to read  
2 as follows:

3 10. a. Upon the written application by a member in service, *by*  
4 *one acting in his behalf* or by the State, any member may be retired,  
5 not less than **[30 days]** *1 month* next following the date of filing

6 such application, on an accidental disability retirement allowance,  
7 provided, that the medical board, after a medical examination of  
8 such member, shall certify that the member is permanently and  
9 totally disabled as a direct result of a traumatic event occurring  
10 during and as a result of the performance of his regular or assigned  
11 duties and that such disability was not the result of the member's  
12 willful negligence and that such member is mentally or physically  
13 incapacitated for the performance of *his* usual duties in the Divi-  
14 sion of State Police which the Superintendent of State Police is  
15 willing to assign to him. The application to accomplish such  
16 retirement must be filed within 5 years of the original traumatic  
17 event, but the board of trustees may consider an application filed  
18 after the 5-year period if it can be factually demonstrated to the  
19 satisfaction of the board of trustees that the disability is due to  
20 the accident and the filing was not accomplished within the 5-year  
21 period due to a delayed manifestation of the disability or to the  
22 member's continued employment in a restricted capacity consistent  
23 with the nature of his disability in the Division of the State Police  
24 upon and at the written request of the superintendent, with the  
25 concurrence of the Attorney General, or *to* other circumstances  
26 beyond the control of the member.

27 b. Upon retirement for accidental disability, a member shall  
28 receive an accidental disability retirement allowance which shall  
29 consist of:

30 (1) An annuity which shall be the actuarial equivalent of [the  
31 member's] *his* aggregate contributions [at the time of retirement;]  
32 and

33 (2) A pension[, in addition] *in the amount which, when added to*  
34 *the member's annuity, will provide a total retirement allowance of*  
35  $\frac{2}{3}$  of his final compensation.

36 c. Upon the receipt of proper proofs of the death of a member  
37 who has retired on an accidental disability retirement allowance,  
38 there shall be paid to [such person, if living, as he shall have  
39 nominated by written designation duly executed and filed with the  
40 retirement system, otherwise to the executor or administrator of]  
41 the member's [estate] *beneficiary*, an amount equal to  $3\frac{1}{2}$  times  
42 the final compensation received by the member in the last year of  
43 creditable service; *provided, however, that* if such death [occurs  
44 before] *shall occur after* the member shall have [reached] *attained*  
45 55 years of age [but if such death occurs thereafter, an] *the amount*  
46 *payable shall equal* [to  $\frac{1}{4}$ ]  $\frac{1}{2}$  of [the] *such* [final] compensation  
47 [received by the member] *instead of  $3\frac{1}{2}$  times such compensation.*

48 d. Permanent and total disability resulting from a cardio-  
49 vascular, pulmonary or musculo-skeletal condition which was not  
50 a direct result of a traumatic event occurring in the performance  
51 of duty shall be deemed an ordinary disability.

1 9. Section 11 of P. L. 1965, c. 89 (C. 53:5A-11) is amended to  
2 read as follows:

3 11. a. Upon the receipt by the retirement system of a written  
4 application for a disability retirement allowance, the system shall  
5 refer the application to the medical board, which shall designate a  
6 physician or physicians to examine the applicant and the report of  
7 the medical board shall be considered by the board of trustees in  
8 acting upon such application.

9 \**[Once each year the retirement system may, and upon his ap-  
10 plication shall, require any retirant under the age of 55 years who  
11 has been retired on a disability retirement allowance, to undergo  
12 medical examination by a physician or physicians designated by  
13 the system for a period of 5 years following his retirement in order  
14 to determine whether or not the disability which existed at the  
15 time he was retired has vanished or has materially diminished.*

16 *If the report of the medical board shall show that such retirant  
17 is able to perform either his former duty or any other available duty  
18 in the Division of State Police which his employer is willing to  
19 assign to him, the retirant shall report for duty; such a retirant  
20 shall not suffer any loss of benefits while he awaits his restoration  
21 to active service. If the retirant fails to submit to any such medical  
22 examination or fails to return to duty within 10 days after being  
23 ordered so to do, or within such further time as may be allowed by  
24 the board of trustees for valid reason, as the case may be, the  
25 pension shall be discontinued during such default.]\*\**

26 b. If a disability retirant, under age 55, who was not a member of  
27 the former "State Police Retirement and Benevolent Fund" on  
28 *[the effective date of this act] June 30, 1965, [engages] is engaged*  
29 *in an occupation paying more than the difference between (1) his*  
30 *retirement allowance and (2) the salary and maintenance now*  
31 *attributable to his former position in the Division of State Police,*  
32 *the amount of his pension shall be reduced to an amount which,*  
33 *together with the annuity and the amount of his earnings, shall*  
34 *equal the amount of the salary and maintenance now attributable to*  
35 *his former position in the Division of State Police. Should his*  
36 *earnings be later changed, the amount of his pension shall be*  
37 *further modified, provided, that the new pension shall not exceed*  
38 *the amount of the pension originally granted.*

39 \**[c. If a disability retirant is restored to active service, his retire-*  
 40 *ment allowance and the right to any death benefit as a result of his*  
 41 *former membership shall be canceled until he again retires.*

42 *Such person shall be reenrolled in the retirement system and*  
 43 *shall contribute thereto. Such person shall be treated as an active*  
 44 *member for determining disability or death benefits while in service.*

45 *Upon subsequent retirement of such member, he shall receive a*  
 46 *retirement allowance based on all his service as a member computed*  
 47 *in accordance with applicable provisions of this act, but the total*  
 48 *retirement allowance upon subsequent retirement shall not be a*  
 49 *greater proportion of his final compensation than the proportion*  
 50 *to which he would have been entitled had he remained in service*  
 51 *during the period of his prior retirement. Any death benefit to*  
 52 *which such member shall be eligible shall be based on his latest*  
 53 *retirement.]\**

1 10. Section 12 of P. L. 1965, c. 89 (C. 53:5A-12) is amended to  
 2 read as follows:

3 12. a. Upon the receipt of proper proofs of the death in *active*  
 4 *service* of a member of the retirement system who was a member  
 5 of the former "State Police Retirement and Benevolent Fund" on  
 6 account of which no *[service connected]* *accidental* death benefit is  
 7 payable, there shall be paid to his widow a pension of 50% of final  
 8 compensation for the use of herself and children of the deceased, to  
 9 continue during her widowhood; if there is no surviving widow or  
 10 in case the widow dies or remarries, 20% of final compensation will  
 11 be payable to one surviving child, 35% of final compensation to two  
 12 surviving children in equal shares and if there be three or more  
 13 children, 50% of final compensation will be payable to such children  
 14 in equal shares.

15 If there is no surviving widow or child, 25% of final compensa-  
 16 tion will be payable to one surviving *[dependent]* parent or 40% of  
 17 final compensation will be payable to two surviving *[dependent]*  
 18 parents in equal shares.

19 b. If there is no surviving widow, child or *[dependent]* parent,  
 20 there shall be paid to any other beneficiary~~],~~ if living, as the mem-  
 21 ber shall have nominated by written designation duly executed and  
 22 filed with the retirement system, otherwise to the executor or  
 23 administrator of the member's estate~~] of the deceased member~~ his  
 24 aggregate contributions at the time of death.

25 c. In no case shall the death benefit provided in subsection a. be  
 26 less than that provided under subsection b.

27 d. In addition to the foregoing benefits payable under subsection  
 28 a. or b., there shall also be paid in one sum to *[such beneficiary, if*

29 living, as the member shall have nominated by written designation  
 30 duly executed and filed with the retirement system, otherwise to the  
 31 executor or administrator of] the member's [estate] beneficiary,  
 32 an amount equal to 3½ times final compensation.

33 e. [A member may file, and alter from time to time during his  
 34 lifetime, as desired, a request with the retirement system naming  
 35 the payee of the death benefit provided under subsection b. and  
 36 subsection d. Such member may also file, and alter from time to  
 37 time during his lifetime, as desired, a request with the retirement  
 38 system directing payment of said benefit or benefits in one sum or  
 39 in equal annual installments over a period of years or as a life  
 40 annuity. Upon the death of such member a beneficiary to whom a  
 41 benefit is payable in one sum may elect to receive the amount pay-  
 42 able in equal annual installments over a period of years or as a life  
 43 annuity.] *Deleted by amendment.*

44 f. [For the purposes of subsection d. of this section, a member  
 45 shall be deemed to be in service for a period of no more than 93  
 46 days while on an official leave of absence without pay.] *Deleted by*  
 47 *amendment.*

1 11. Section 13 of P. L. 1965, c. 89 (C. 53:5A-13) is amended to  
 2 read as follows:

3 13. a. Upon the receipt of proper proofs of the death in *active*  
 4 service of a member of the retirement system who was not a member  
 5 of the former "State Police Retirement and Benevolent Fund" on  
 6 account of which no accidental death benefit is payable, there shall  
 7 be paid to his widow a pension of 25% of final compensation for the  
 8 use of herself, to continue during her widowhood, plus 15% of final  
 9 compensation payable to one surviving child or plus 25% of final  
 10 compensation to two or more surviving children; if there is no sur-  
 11 viving widow or in case the widow dies or remarries, 20% of final  
 12 compensation will be payable to one surviving child, 35% of final  
 13 compensation to two surviving children in equal shares and if there  
 14 be three or more children, 50% of final compensation will be payable  
 15 to such children in equal shares.

16 If there is no surviving widow or child, 25% of final compensation  
 17 will be payable to one surviving [dependent] parent or 40% of final  
 18 compensation will be payable to two surviving [dependent] parents  
 19 in equal shares.

20 b. If there is no surviving widow, child or [dependent] parent,  
 21 there shall be paid to any other beneficiary[, if living, as the mem-  
 22 ber shall have nominated by written designation duly executed and  
 23 filed with the retirement system, otherwise to the executor or ad-

24 administrator of the member's estate] of the deceased member his  
25 aggregate contributions at the time of death.

26 c. In no case shall the death benefit provided in subsection a. be  
27 less than that provided in subsection b.

28 d. In addition to the foregoing benefits payable under subsection  
29 a. or b., there shall also be paid in one sum to [such beneficiary, if  
30 living, as the member shall have nominated by written designation  
31 duly executed and filed with the retirement system, otherwise to the  
32 executor or administrator of] the member's [estate] beneficiary, an  
33 amount equal to 3½ times final compensation.

34 e. [A member may file, and alter from time to time during his  
35 lifetime, as desired, a request with the retirement system naming  
36 the payee of the death benefit provided under subsection b. and sub-  
37 section d. Such member may also file, and alter from time to time  
38 during his lifetime, as desired, a request with the retirement system  
39 directing payment of said benefit or benefits in one sum or in equal  
40 annual installments over a period of years or as a life annuity.  
41 Upon the death of such member a beneficiary to whom a benefit is  
42 payable in one sum may elect to receive the amount payable in equal  
43 annual installments over a period of years or as a life annuity.]

44 Deleted by amendment.

45 f. [For the purposes of subsection d. of this section, a member  
46 shall be deemed to be in service for a period of no more than 93 days  
47 while on an official leave of absence without pay.] Deleted by amend-  
48 ment.

1 12. Section 14 of P. L. 1965, c. 89 (C. 53:5A-14) is amended to  
2 read as follows:

3 14. a. Upon the death of a member *in active service as a result of*  
4 [before retirement, provided, that evidence shall be submitted to the  
5 board of trustees justifying the determination that the natural and  
6 proximate cause of such death was] an accident met in the actual  
7 performance of duty *at some definite time and place*, [within 5 years  
8 preceding the date of such death,] and [that] such death was not  
9 the result of the member's willful negligence, an accidental death  
10 benefit shall be payable *if a report of the accident is filed in the*  
11 *office of the Division of State Police within 60 days next following*  
12 *the accident, but the board of trustees may waive such time limit,*  
13 *for a reasonable period, if in the judgment of the board the circum-*  
14 *stances warrant such action. No such application shall be valid or*  
15 *acted upon unless it is filed in the office of the retirement system*  
16 *within 5 years of the date of such death.*

17 b. Upon the receipt of proper proofs of the death of a member on  
18 account of which [a service-connected] an accidental death benefit

19 is payable, there shall be paid to his widow a pension of 50% of final  
20 compensation for the use of herself and children of the deceased, to  
21 continue during her widowhood; if there is no surviving widow or  
22 in case the widow dies or remarries, 20% of final compensation will  
23 be payable to one surviving child, 35% of final compensation to two  
24 surviving children in equal shares and if there be three or more  
25 children, 50% of final compensation will be payable to such children  
26 in equal shares.

27 If there is no surviving widow or child, 25% of final compensation  
28 will be payable to one surviving [dependent] parent or 40% of final  
29 compensation will be payable to two surviving parents in equal  
30 shares.

31 *In the event of accidental death occurring in the first year of*  
32 *creditable service, the benefits, payable pursuant to this subsection,*  
33 *shall be computed at the annual rate of compensation.*

34 c. If there is no surviving widow, child or [dependent] parent,  
35 there shall be paid to any other beneficiary of the deceased member,  
36 [if living, as the member shall have nominated by written designa-  
37 tion duly executed and filed with the retirement system, otherwise  
38 to the executor or administrator of the member's estate] his aggre-  
39 gate contributions at the time of death.

40 d. In no case shall the death benefits provided in subsection b.  
41 be less than that provided under subsection c.

42 e. In addition to the foregoing benefits payable under subsection  
43 a. or b., there shall also be paid in one sum to [such beneficiary, if  
44 living, as the member shall have nominated by written designation  
45 duly executed and filed with the retirement system, otherwise to the  
46 executor or administrator of] the member's [estate] beneficiary,  
47 an amount equal to 3½ times final compensation.

48 f. [A member may file, and alter from time to time during his  
49 lifetime, as desired, a request with the retirement system naming  
50 the payee of the death benefit provided under subsection c. and sub-  
51 section e. Such member may also file, and alter from time to time  
52 during his lifetime, as desired, a request with the retirement system  
53 directing payment of said benefit or benefits in one sum or in equal  
54 annual installments over a period of years or as a life annuity.  
55 Upon the death of such member a beneficiary to whom a benefit is  
56 payable in one sum may elect to receive the amount payable in equal  
57 annual installments over a period of years or as a life annuity.]

58 *Deleted by amendment.*

59 g. [For the purposes of subsection e. of this section, a member  
60 shall be deemed to be in service for a period of no more than 93 days

61 while on an official leave of absence without pay. **Deleted by amend-**  
62 *ment.*

1 13. Section 15 of P. L. 1965, c. 89 (C. 53:5A-15) is amended to  
2 read as follows:

3 15. a. In the case of any officer, noncommissioned officer or  
4 trooper of the Division of State Police of the Department of Law  
5 and Public Safety of the State of New Jersey becoming a member  
6 of the retirement system who was covered on the day immediately  
7 prior to **the effective date of this act** *July 1, 1965* under the then  
8 existing group life insurance program of the New Jersey State  
9 Police, the State Treasurer shall provide for death benefit coverage,  
10 in the amount described in this subsection for such member after  
11 he retires and receives a retirement allowance pursuant to the  
12 provisions of this act, subject to the conditions hereinafter stated.

13 (1) In order to obtain the coverage during retirement as herein  
14 provided, the member must make written request therefor to the  
15 **board** *retirement system* within 90 days of **the effective date**  
16 **of this act** *July 1, 1965* and must agree to make, after retirement,  
17 the contributions required for such coverage as described by sub-  
18 section c. of this section, except that if any such officer, noncom-  
19 missioned officer or trooper was disabled on **the effective date of**  
20 **this act** *July 1, 1965* but subsequently recovers from such disability  
21 and becomes a member of the retirement system, such request  
22 may be made within 90 days after the date he becomes a member  
23 of the retirement system.

24 (2) Each such officer, noncommissioned officer and trooper may  
25 cancel his request for the death benefit coverage described herein,  
26 either before or after retirement, by giving written notice to the  
27 retirement system.

28 The amounts of death benefits provided for under this subsection  
29 while the former member is receiving a retirement allowance  
30 pursuant to this act shall be the same amount or amounts as  
31 would have been continued for such former member after his  
32 retirement under the group life insurance program, hereinabove  
33 referred to, had such program remained in effect and unchanged  
34 and such former member had remained covered thereunder, less  
35 an amount equal to **1/4** *1/2* of the member's final compensation.  
36 **The Superintendent of the State Police shall, upon request, certify**  
37 **to the board of trustees the names of the officers, noncommissioned**  
38 **officers and troopers to whom this subsection could have application**  
39 **and such other information as may be necessary in order for the**  
40 **board to determine the amounts of death benefit under this sub-**  
41 **section.**

42 b. The State Treasurer shall provide on and after [the effective  
43 date of this act] *July 1, 1965* for death benefit coverage in the  
44 amounts described in this subsection for each former officer, non-  
45 commissioned officer and trooper who was covered on the day  
46 immediately prior to [the effective date of this act] *July 1, 1965*  
47 under the then existing group life insurance program of the New  
48 Jersey State Police and was then retired and receiving retirement  
49 benefits under the provisions of the former State Police Retirement  
50 and Benevolent Fund, subject to the conditions hereinafter stated:

51 (1) In order to obtain the death benefit coverage as herein pro-  
52 vided, such former officer, noncommissioned officer or trooper must  
53 make the contributions required for such coverage as described in  
54 subsection c. of this section.

55 (2) If coverage or benefits are afforded a former officer, non-  
56 commissioned officer or trooper under the aforesaid group life  
57 insurance program of the New Jersey State Police after [the effec-  
58 tive date of this act] *July 1, 1965* by reason of his disability, the  
59 death benefits provided by this subsection shall in no event apply  
60 to him unless such coverage and benefits shall cease by reason of  
61 his recovery from disability. In such event the foregoing provi-  
62 sions of this subsection shall apply from the date of such cessation.  
63 The amounts of death benefit continued under this subsection shall  
64 be the same amount or amounts as would have been continued for  
65 such former officer, noncommissioned officer or trooper after his  
66 retirement under the group life insurance program, hereinabove  
67 referred to, had such program remained in effect and unchanged  
68 during his retirement and he had remained covered thereunder.  
69 [The Superintendent of the State Police shall, upon request, certify  
70 to the board of trustees the names of the former officers, noncom-  
71 missioned officers and troopers to whom this subsection applies  
72 and such information as may be necessary in order for the board  
73 to determine the amounts of death benefit under this subsection.]

74 c. The contributions required during retirement for the death  
75 benefit coverage provided for by this section shall be determined  
76 from the schedules of contributions established by the [board of  
77 trustees] *retirement system*. [Such schedules shall be subject to  
78 adjustment by the board from time to time.] Such contributions  
79 shall be deducted from the former officer's, noncommissioned  
80 officer's or trooper's retirement allowance or benefits but if there  
81 be no retirement allowance or benefits available from which such  
82 contributions may be deducted, it shall be the obligation of such  
83 former officer, noncommissioned officer or trooper to make such

84 contribution directly to the retirement system, as required by the  
85 system.

86 d. Upon receipt of proper proofs of the death of any former  
87 officer, noncommissioned officer or trooper of the New Jersey State  
88 Police while covered for death benefit coverage pursuant to the  
89 provisions of this section, there shall be paid to such [person, if  
90 living, as the former officer, noncommissioned officer or trooper  
91 shall have nominated by written designation duly executed and  
92 filed with the retirement system, otherwise to the executor or  
93 administrator of the] former officer's, noncommissioned officer's  
94 or trooper's [estate] *beneficiary*, the amount for which he is  
95 covered at the time of his death pursuant to said subsection a. or  
96 said subsection b., as the case may be.

97 e. Any other provision of this act notwithstanding, the contribu-  
98 tions of any person for death benefit coverage under this section  
99 shall not be returnable to such person or his beneficiary or death  
100 benefit payee in any manner, or for any reason whatsoever, nor  
101 shall such contributions be included in any annuity payable to any  
102 such person or his beneficiary.

1 14. Section 21 of P. L. 1965, c. 89 (C. 53:5A-21) is amended to  
2 read as follows:

3 21. Any such group policy or policies shall include, with respect  
4 to any insurance terminating *or reducing* because an insured per-  
5 son has ceased to be in *active* service or has retired, the conversion  
6 privilege available upon termination of employment as prescribed  
7 by the law relating to group life insurance; and shall also include,  
8 with respect to insurance terminating because of termination of the  
9 group policy resulting from a termination of all death benefits  
10 established under sections 8 c., 9 c., 10 c., 12 d., 13 d., 14 e., 15, 27 b.  
11 and 28 [b.] the conversion privilege available upon termination of  
12 the group policy as prescribed by such law. Any such group policy or  
13 policies shall also provide that if an insured person dies during the  
14 31-day period during which he would be entitled to exercise the  
15 conversion privilege, the amount of insurance with respect to which  
16 he could have exercised the conversion privilege shall be paid as a  
17 claim under the group policy.

18 If any member who has exercised the conversion privilege under  
19 the group policy or policies again becomes a member of the retire-  
20 ment system, and the individual policy obtained pursuant to the  
21 conversion privilege is still in force, he shall not again be eligible  
22 for any of the death benefits provided by sections 8 c., 9 c., 10 c.,  
23 12 d., 13 d., 14 e., 15, 27 b. and 28 [b.], unless he furnishes satis-  
24 factory evidence of insurability.

25 When benefits payable upon the death of a member following  
26 retirement are determined as though he were an active member at  
27 the time of his death, the death benefit payable under the group  
28 policy or policies together with the amount of insurance paid under  
29 any individual policy obtained under the conversion privilege, shall  
30 in no event exceed the amount of insurance for which the member  
31 was insured under the group policy or policies immediately prior  
32 to the date the right of conversion arose.

1 15. Section 23 of P. L. 1965, c. 89 (C. 53:5A-23) is amended to  
2 read as follows:

3 23. Any such group policy or policies shall provide that payment  
4 of any death benefits which are payable by the insurance company  
5 may be made in one sum directly to the beneficiary as hereinafter  
6 provided, in equal [annual] installments over a period of years or  
7 as a life annuity or in such other manner as may be made available  
8 by the insurance company. An insured person may make such  
9 arrangements for settlement, and may alter from time to time  
10 during his lifetime any arrangement previously made, by making  
11 written request to the insurance company through the policyholder.  
12 Upon the death of an insured person, a beneficiary to whom a  
13 benefit is payable in one sum by the insurance company may like-  
14 wise arrange for a settlement as described above. If an insured  
15 person's or beneficiary's request for settlement of any death bene-  
16 fit in equal [annual] installments over a period of years or as a  
17 life annuity pursuant to the foregoing is approved by the policy-  
18 holder, the amount of such [annual] installments or such life  
19 annuity, as the case may be, shall be determined on the basis of  
20 such applicable mortality tables [and rates of interest] as shall  
21 have been adopted by the retirement system and are in effect at  
22 the death of the insured person. Any arrangement for payment  
23 under the group policy to a beneficiary shall be in lieu of that pro-  
24 vided by sections 8 c., 9 c., 10 c., 12 d., 13 d., 14 e., 15, 27 b. and  
25 28 [b.].

1 16. Section 26 of P. L. 1965, c. 89 (C. 53:5A-26) is amended to  
2 read as follows:

3 26. A member who withdraws from service or ceases to be a  
4 member for any cause other than death or retirement shall receive  
5 the amount of his aggregate contributions *less any outstanding loan*  
6 upon the filing of a written application as required by the retire-  
7 ment system. *If such member shall die before filing an application*  
8 *for withdrawal or before endorsing the check constituting the*  
9 *return of his aggregate contributions, such contributions shall be*  
10 *paid to his beneficiary.*

11 *No member shall be entitled to withdraw the amounts contributed*  
 12 *by the State covering his military leave unless he shall have re-*  
 13 *turned to the payroll and contributed to the retirement system for*  
 14 *a period of 90 days.*

1 17. Section 27 of P. L. 1965, c. 89 (C. 53:5A-27) is amended to  
 2 read as follows:

3 27. a. Should a member resign after having **[completed]**  
 4 *established 25 years of creditable service as a full time commis-*  
 5 *sioned officer, noncommissioned officer or trooper of the Division of*  
 6 *State Police, before reaching **[service retirement]** age 55, he may*  
 7 *elect **[to]** "early" retirement, provided, that such election is com-*  
 8 *municated by such member to the retirement system by filing a*  
 9 *written application, duly attested, stating at what time subsequent*  
 10 *to the execution and filing thereof he desires to be retired. He shall*  
 11 *receive, in lieu of the payment provided in section 26, a retirement*  
 12 *allowance which shall consist of:*

13 (1) an annuity which shall be the actuarial equivalent of his  
 14 aggregate contributions and,

15 (2) a pension in the amount, which when added to the member's  
 16 annuity will provide a total retirement allowance of 2% of his final  
 17 compensation multiplied by his number of years of creditable  
 18 service up to 25 plus 1% of his final compensation multiplied by his  
 19 number of years of creditable service over 25; provided, however,  
 20 that such retirement allowance shall be reduced in accordance with  
 21 a table of actuarial equivalents recommended by the actuary and  
 22 adopted by the **[board of trustees]** *retirement system* reflecting all  
 23 months that the member lacks of being age 55.

24 *The board of trustees shall retire him at the time specified or at*  
 25 *such other time within 1 month after the date so specified as the*  
 26 *board finds advisable.*

27 b. Upon the receipt of proper proof of the death of such a retired  
 28 member, there shall be paid to **[such person, if living, as he shall**  
 29 *have nominated by written designation duly executed and filed*  
 30 *with the retirement system, otherwise to the executor or admin-*  
 31 *istrator of]* the member's **[estate]** *beneficiary, an amount equal to*  
 32 **[ $\frac{1}{4}$ ]** *1/2 of the final compensation received by the member.*

1 18. Section 28 of P. L. 1965, c. 89 (C. 53:5A-28) is amended to  
 2 read as follows:

3 28. a. Should a member, after having **[completed]** *established*  
 4 **[25]** *15 years of creditable service as a full time commissioned*  
 5 *officer, noncommissioned officer or trooper of the Division of State*  
 6 *Police, be separated voluntarily or involuntarily from the service,*  
 7 *before reaching **[service retirement]** age 55, and not by removal for*

8 cause or charges of misconduct or delinquency, such person may  
9 elect to receive the payments provided for in sections 26 or 27 or a  
10 deferred retirement allowance, beginning **[at]** *on the first day of*  
11 *the month following his attainment of age 55 and the filing of an*  
12 *application therefor*, which shall consist of:

13 (1) an annuity which shall be the actuarial equivalent of his  
14 aggregate contributions at the time of **[retirement]** *his severance*  
15 *from the service*, and

16 (2) a pension in the amount which, when added to the member's  
17 annuity, will provide a total retirement allowance of 2% of his final  
18 compensation multiplied by his number of years of creditable ser-  
19 vice up to 25 plus 1% of his final compensation multiplied by his  
20 number of years of creditable service over 25, provided that **[such**  
21 *election is communicated by such member to the retirement system*  
22 *in writing stating at what time subsequent to the execution and*  
23 *filing thereof he desires to be retired; and provided further, that]  
24 *such inactive member may [later] elect to receive payments pro-*  
25 *vided under sections 26 or 27 if he had qualified under that latter*  
26 *section at the time of leaving service, except that in order to avail*  
27 *himself of the option, he must exercise such option at least 1 month*  
28 *before the effective date of his retirement.***[, or if]** *If such inactive*  
29 *member shall die before attaining age 55, his aggregate contribu-*  
30 *tions shall be paid [to such person, if living, as he shall have nomi-*  
31 *nated by written designation duly executed and filed with the retire-*  
32 *ment system, otherwise to the executor or administrator of the*  
33 *member's estate.] in accordance with section 26 and, in addition if*  
34 *such inactive member shall die after attaining age 55 but before*  
35 *filing an application for retirement benefits pursuant to this section*  
36 *or section 27 and for which benefits he would have qualified and has*  
37 *not withdrawn his aggregate contributions, or in the event of death*  
38 *after retirement, an amount equal to 1/2 of the final compensation*  
39 *received by the member shall be paid to such member's beneficiary.**

40 b. **[Upon the receipt of proper proofs of the death of a member**  
41 *who was receiving a deferred retirement allowance, there shall be*  
42 *paid to such person, if living, as he shall have nominated by written*  
43 *designation duly executed and filed with the retirement system,*  
44 *otherwise to the executor or administrator of the member's estate,*  
45 *an amount equal to 1/4 of the final compensation received by the*  
46 *member.] Deleted by amendment.*

47 c. *Any member who, having elected to receive a deferred retire-*  
48 *ment allowance, again becomes an employee covered by the retire-*  
49 *ment system while under the age of 55, shall thereupon be reenrolled.*

50 *He shall be credited with all service as a member standing to his*  
 51 *credit at the time of his election to receive a deferred retirement*  
 52 *allowance.*

1 19. Section 29 of P. L. 1965, c. 89 (C. 53:5A-29) is amended to  
 2 read as follows:

3 29. Any member who has at least 3 years of service *to his credit*  
 4 for which he has contributed as a member may borrow from the  
 5 retirement system, an amount equal to not more than 50% of the  
 6 amount of his aggregate contributions, but not less than \$50.00;  
 7 provided, that the amount so borrowed, together with interest  
 8 thereon, can be repaid by additional deductions from salary, not in  
 9 excess of 25% of the member's salary, made at the time the salary  
 10 is paid to the member but not after the attainment of age 55. The  
 11 amount so borrowed, together with interest at the rate of 4% per  
 12 annum on any unpaid balance thereof, shall be repaid to the retire-  
 13 ment system in equal installments by deductions from the salary of  
 14 the member at the time the salary is paid or in such lump sum  
 15 **[amounts as the board of trustees shall approve,]** *amount to repay*  
 16 *the balance of the loan* but such installments shall be at least equal  
 17 to the member's *rate of* contribution to the retirement system and  
 18 at least sufficient to repay the amount borrowed with interest  
 19 thereon by the time the member attains age 55. Not more than two  
 20 loans may be granted to any member in any calendar year. Notwith-  
 21 standing any other law affecting the salary or compensation of any  
 22 person or persons to whom this act applies or shall apply, the addi-  
 23 tional deductions required to repay the loan shall be made. Any  
 24 unpaid balance of a loan at the time any benefit may become payable  
 25 shall be deducted from the benefit otherwise payable.

26 Loans **[may]** *shall* be made to a member from his aggregate con-  
 27 tributions. **[In addition the board of trustees is hereby authorized**  
 28 **to set aside moneys within the contingent reserve fund from which**  
 29 **loans to members may be made. If such moneys are used for the**  
 30 **purpose of making loans, the]** *The* interest earned on such loans  
 31 shall be treated in the same manner as interest earned from invest-  
 32 ments of the retirement system.

1 20. Section 30 of P. L. 1965, c. 89 (C. 53:5A-30) is amended to  
 2 read as follows:

3 30. a. Subject to the provisions of chapter 70 of the laws of 1955,  
 4 the general responsibility for the proper operation of the retire-  
 5 ment system is hereby vested in the board of trustees.

6 b. The board shall consist of five trustees as follows:

7 (1) Two active members of the system who shall be appointed  
 8 by the Superintendent of State Police, who shall serve at the

9 pleasure of the superintendent and until their successors are ap-  
10 pointed and one of whom shall be a commissioned officer of the  
11 Division of State Police.

12 (2) Two members to be appointed by the Governor, who shall  
13 serve at the pleasure of the Governor and until their successors  
14 are appointed and who shall be private citizens of the State of New  
15 Jersey *who are neither an officer thereof nor active or retired*  
16 *members of the system.*

17 (3) The State Treasurer ex officio. The Deputy State Treasurer,  
18 when designated for that purpose by the State Treasurer, may sit  
19 as a member of the board of trustees and when so sitting shall have  
20 all the powers and shall perform all the duties vested by this act in  
21 the State Treasurer.

22 c. Each trustee shall, after his appointment [or election], take  
23 an oath of office that, so far as it devolves upon him, he will  
24 diligently and honestly fulfill his duties as a board member, that  
25 he will not knowingly violate or permit to be violated any of the  
26 provisions of the law applicable to the retirement system. Such  
27 oath shall be subscribed by the member taking it, and certified by  
28 the official before [who] *whom* it is taken, and immediately filed  
29 in the office of the Secretary of State.

30 d. If a vacancy occurs in the office of a trustee, the vacancy shall  
31 be filled [for the unexpired term] in the same manner as the office  
32 was previously filled.

33 e. The trustees shall serve without compensation, but they shall  
34 be reimbursed by the State for all necessary expenses that they  
35 may incur through service on the board. No employee member shall  
36 suffer loss of salary through the serving on the board.

37 f. Except as otherwise herein provided, no member of the board  
38 of trustees shall have any direct interest in the gains or profits of  
39 any investments of the retirement system; nor shall any member  
40 of the board of trustees directly or indirectly, for himself or as an  
41 agent in any manner use the moneys of the retirement system,  
42 except to make such current and necessary payments as are autho-  
43 rized by the board of trustees; nor shall any member of the board  
44 of trustees become an endorser or surety, or in any manner an  
45 obligor for moneys loaned to or borrowed from the retirement  
46 system.

47 g. Each trustee shall be entitled to one vote in the board. A  
48 majority vote of all trustees shall be necessary for any decision by  
49 the trustees at any meeting of said board.

50 h. Subject to the limitations of this act, the board of trustees  
51 shall [from time to time,] *annually* establish rules and regulations

52 for the administration of the funds created by this act and for the  
 53 transactions of its business. *Such rules and regulations shall be*  
 54 *consistent with those adopted by the other pension funds within the*  
 55 *Division of Pensions in order to permit the most economical and*  
 56 *uniform administration of all such retirement systems.*

57 i. The actuary of the system shall be designated by the State  
 58 Treasurer after consultation with the Director of the Division of  
 59 Pensions, subject to veto by the board for valid reason. He shall be  
 60 the technical adviser of the board on matters regarding the opera-  
 61 tion of the funds created by the provisions of this act and shall  
 62 perform such other duties as are required in connection herewith.

63 j. The Attorney General shall be the legal adviser of the retire-  
 64 ment system.

65 k. The Chief of the Bureau of Police and Fire Funds of the  
 66 Division of Pensions of the State Department of the Treasury shall  
 67 be the secretary of the board.

68 l. The board of trustees shall keep a record of all of its proceed-  
 69 ings which shall be open to public inspection. **[It]** *The retirement*  
 70 *system shall publish annually a report showing the fiscal transac-*  
 71 *tions of the retirement system for the preceding year, the amount of*  
 72 *the accumulated cash and securities of the system and the last*  
 73 *balance sheet showing the financial condition of the system by*  
 74 *means of an actuarial valuation of the assets and liabilities of the*  
 75 *retirement system.*

76 m. The **[board of trustees]** *State Treasurer* shall designate a  
 77 medical board **[to be]** *after consultation with the Director of the*  
 78 *Division of Pensions, subject to veto by the board of trustees for*  
 79 *valid reason. It shall be composed of three physicians. [As*  
 80 *required, other physicians may be employed to examine members*  
 81 *where medical evidence is prescribed.]* The medical board shall  
 82 pass on all medical examinations required under the provisions  
 83 of this act, and shall report in writing to the **[board of trustees]**  
 84 *retirement system* its conclusions and recommendations upon all  
 85 matters referred to it.

86 n. The various funds created by this act shall be subject to the  
 87 supervision of the Department of Insurance of the State of New  
 88 Jersey.

1 21. Section 31 of P. L. 1965, c. 89 (C. 53:5A-31) is amended to  
 2 read as follows:

3 31. a. The board of trustees shall be and are hereby constituted  
 4 trustees of all the various funds established by this act except the  
 5 group insurance premium fund; provided, however, that all func-  
 6 tions, powers, and duties relating to the investment or reinvestment

7 of moneys of, and purchase, sale, or exchange of any investments or  
8 securities, of or for any fund established under this act, shall be  
9 exercised and performed by the Director of the Division of Invest-  
10 ment in accordance with the provisions of c. 270, P. L. 1950, as  
11 amended and supplemented.

12 b. The secretary of the board shall determine from time to time  
13 the cash requirements of the various funds established by this act  
14 and the amount available for investment, all of which shall be  
15 certified to the Director of the Division of Investment.

16 c. A member of the board of trustees to be designated by a  
17 majority vote thereof shall serve on the State Investment Council  
18 as a representative of said board of trustees, for a term of 1 year  
19 and until his successor is elected and qualified.

20 **【The finance committee of the board of trustees shall be**  
21 **appointed on or before July 1 of each calendar year by the chair-**  
22 **man of the board of trustees to serve through June 30 of the ensu-**  
23 **ing calendar year and until their successors are appointed. The**  
24 **finance committee of the board of trustees shall consist of three**  
25 **members of the board of trustees, one of whom shall be the State**  
26 **Treasurer.】**

27 d. The Treasurer of the State of New Jersey shall be the  
28 custodian of the several funds. All payments from said funds shall  
29 be made by him only upon vouchers signed by the secretary and the  
30 chairman of the board of trustees. A duly attested copy of the  
31 resolution of the board of trustees designating the chairman and  
32 bearing on its face specimen signatures of the chairman and the  
33 secretary shall be filed with the treasurer as his authority for mak-  
34 ing payments upon such vouchers.

35 e. The administration of the program shall be performed by the  
36 personnel of the Division of Pensions of the State Department of  
37 the Treasury and the costs of administration shall be borne by the  
38 State.

1 22. Section 32 of P. L. 1965, c. 89 (C. 53:5A-32) is amended to  
2 read as follows:

3 32. The actuary **【appointed by the board】** shall recommend such  
4 data as shall be necessary for actuarial valuation of the various  
5 funds created by this act. Once in every 5-year period **【after the**  
6 **effective date of this act,】** the actuary shall make an actuarial in-  
7 vestigation into the mortality, service and compensation experience  
8 of the members and beneficiaries and shall make a valuation of the  
9 assets and liabilities of the various funds created by this act. Upon  
10 the basis of such investigation and valuation, *with the advice of the*

11 *actuary*, the board shall adopt for the retirement system such  
12 mortality, service and other tables as shall be deemed necessary.

13 [Immediately after the establishment of the retirement system  
14 the actuary shall prepare and submit to the board the mortality  
15 and service tables which he recommends for adoption. The board  
16 shall adopt such tables as it deems necessary in accordance with this  
17 recommendation.]

1 23. Section 34 of P. L. 1965, c. 89 (C. 53:5A-34) is amended to  
2 read as follows:

3 34. The Contingent Reserve Fund shall be the fund in which shall  
4 be credited contributions made by the State.

5 a. Upon the basis of such tables *recommended by the actuary* as  
6 the board adopts and regular interest, the actuary shall compute  
7 annually the amount of the contribution, expressed as a proportion  
8 of the salaries paid to all [employees] *members*, which, if paid  
9 monthly during the entire prospective service of the [employees]  
10 *members*, will be sufficient to provide for the pension reserves  
11 required at the time of the discontinuance of active service, to cover  
12 all pensions to which they may be entitled or which are payable on  
13 their account and to provide for the amount of the death *and*  
14 *accidental disability* benefits payable on their account [by the  
15 State], which amount [are] is not covered by [accrued liability]  
16 *other contributions*[,] to be made as provided in [subsection b.  
17 hereof,] *this section* and the funds in hand available for such bene-  
18 fits. *This shall be known as the "normal contribution."*

19 b. Upon the basis of such tables *recommended by the actuary* as  
20 the board adopts, and regular interest, the actuary shall compute  
21 [annually,] the amount of the *unfunded liability as of June 30, 1971*  
22 which has accrued *on the basis of service rendered prior to July 1,*  
23 *1971 by all members, including the amount of the liability accrued*  
24 *by reason of allowances to be granted on account of services*  
25 *rendered by members of the former "State Police Retirement and*  
26 *Benevolent Fund"* which has not already been covered by previous  
27 State contributions to the former system, *and including the accrued*  
28 *liabilities established by chapter 89 of the laws of 1965.* Using the  
29 total amount of this *unfunded accrued liability* [remaining as a  
30 basis,] he shall compute the amount of the flat annual payment,  
31 which, if paid in each succeeding fiscal year, commencing with July  
32 1, [1966] 1972, for a period of [30] 40 years, will provide for this  
33 liability. *This shall be known as the "accrued liability*  
34 *contribution."*

35 c. The actuary shall certify annually the aggregate amount pay-  
36 able to the Contingent Reserve Fund in the ensuing year, which

37 amount shall be equal to the sum of the proportion of the earnable  
 38 salary of all members, computed as described in subsection a.  
 39 hereof and of the State's accrued liability contribution, payable in  
 40 the ensuing year, as described in subsection b. hereof. The State  
 41 shall pay into the Contingent Reserve Fund during the ensuing  
 42 year the amount so determined. In the event the amount certified  
 43 to be paid by the State includes amounts due for services rendered  
 44 by members to specific instrumentalities or authorities the total  
 45 amount so certified shall be paid to the retirement system by the  
 46 State; provided, however, the full cost attributable to such services  
 47 rendered to such instrumentalities and authorities shall be com-  
 48 puted separately by the actuary and the State shall be reimbursed  
 49 for such amounts by such instrumentalities or authorities.

50 The cash death benefits, payable as the result of contribution by  
 51 the State under the provisions of this act upon the death of a  
 52 member in active service and after retirement shall be paid from  
 53 the Contingent Reserve Fund.

1 24. Section 35 of P. L. 1965, c. 89 (C. 53:5A-35) is amended to  
 2 read as follows:

3 35. The Annuity Savings Fund shall be the fund in which shall  
 4 be *credited* [accumulated the contributions from the salary of]  
 5 *aggregate contributions by members or on their behalf* to provide  
 6 for their [annuities] *allowances*. The aggregate contributions of a  
 7 member withdrawn by him or paid to his estate or his designated  
 8 beneficiary in the event of his death as provided in this act shall be  
 9 paid from the Annuity Savings Fund. Upon the retirement [or  
 10 death] of a member where the aggregate contributions of the  
 11 member are to be provided in the form of an annuity, the aggregate  
 12 contributions of the member shall be transferred from the Annuity  
 13 Savings Fund to the Retirement Reserve Fund.

1 25. Section 36 of P. L. 1965, c. 89 (C. 53:5A-36) is amended to  
 2 read as follows:

3 36. The Retirement Reserve Fund shall be the fund [in which  
 4 shall be held the reserves on all retirement allowances and pensions  
 5 granted to members or their beneficiaries and] from which all  
 6 retirement allowances and pensions shall be paid. [It will be the  
 7 fund which will receive all of the accumulated reserves of the  
 8 former "State Police Retirement and Benevolent Fund," except as  
 9 otherwise provided.]

10 Upon the retirement of a member, [the] *his* aggregate contribu-  
 11 tions [of the member] shall be transferred to the Retirement  
 12 Reserve Fund from the Annuity Savings Fund. The reserve needed  
 13 to produce the balance of the retirement allowance shall be trans-

14 ferred from the Contingent Reserve Fund. If the [pension or  
15 annuity] *retirement allowance* of a member who has been retired is  
16 subsequently canceled, the appropriate reserve shall be transferred  
17 to the Annuity Savings Fund and the Contingent Reserve Fund.

18 Any surplus or deficit developing in the Retirement Reserve Fund  
19 shall be adjusted from time to time by transfer to or from the  
20 Contingent Reserve Fund by appropriate action of the [board of  
21 trustees with] *retirement system* upon the advice of the actuary.

1 26. Section 42 of P. L. 1965, c. 89 (C. 53:5A-42) is amended to  
2 read as follows:

3 42. Any person who shall knowingly make any false statement or  
4 shall falsify or permit to be falsified any record or records of this  
5 retirement system in any attempt to defraud such system as a result  
6 of such act shall be guilty of a misdemeanor and shall be punishable  
7 therefor under the laws of the State of New Jersey. Should any  
8 change or error in the records result in any member or person  
9 receiving from the retirement system more or less than he would  
10 have been entitled to receive had the records been correct, the  
11 [board of trustees] *retirement system* shall, as far as practicable,  
12 correct such error and adjust the payments in such manner that the  
13 actuarial equivalent of the benefit to which such member or bene-  
14 ficiary was correctly entitled shall be paid. *The actuarial equivalent*  
15 *of any shortage in required contributions at the time of retirement*  
16 *on account of misstatement of age, leave of absence, or clerical*  
17 *error, shall be deducted from the retirement allowance otherwise*  
18 *payable.*

1 27. Section 44 of P. L. 1965, c. 89 (C. 53:5A-44) is amended to  
2 read as follows:

3 44. [Whenever] *If possible, whenever* any [person] *retirant or*  
4 *beneficiary* shall, in writing, request [and authorize] the [retire-  
5 ment system] *Division of Pensions* to make deductions from his  
6 retirement allowance or pension for the purpose of paying  
7 premiums for [any hospital service plan and any medical-surgical  
8 plan which meets with minimum participation requirements  
9 established by rules and regulations of the board of trustees, the  
10 retirement system] *the pensioners' group health insurance plan or*  
11 *the State Health Benefits program, the division* may make such  
12 deductions and transmit the sums so deducted [directly] to the  
13 [company] *companies* carrying the [policy or] policies. Any such  
14 *written* authorization may be withdrawn by any [member] *retirant*  
15 *or beneficiary* upon filing [written] notice of such withdrawal with  
16 the [retirement system] *division.*

1 28. For the purposes of sections 12 d., 13 d., and 14 e. a member of  
2 the State Police Retirement System shall be deemed to be an active  
3 member for a period of no more than 93 days while on official leave  
4 of absence without pay when such leave is due to any reason other  
5 than illness, and for a period of not more than 1 year in the event  
6 of an official leave (a) to fulfill a residency requirement for an  
7 advanced degree, or (b) as a full-time student at an institution of  
8 higher education, and (1) while he is disabled due to sickness or  
9 injury arising out of or in the course of his employment as a  
10 member to whom this chapter applies, is not engaged in any gainful  
11 occupation, and is receiving or entitled to receive periodic benefits  
12 (including any commutation of, or substitute for, such benefits) for  
13 loss of time on account of such disability under or by reason of  
14 workmen's compensation law, occupational disease law or similar  
15 legislation and has not retired or terminated his membership; or  
16 (2) for a period of no more than 2 years while on an official leave  
17 of absence without pay if satisfactory evidence is presented to the  
18 retirement system that such leave of absence without pay is due  
19 to the member's personal illness other than an illness to which (1)  
20 above applies.

21 If a member dies within 30 days after the date of retirement or  
22 the date of board approval, whichever is later, a death benefit shall  
23 be payable only if he is deemed to be an active member in accordance  
24 with this section; provided, however, a member applying for dis-  
25 ability benefits shall be deemed an active member if he was covered  
26 by the death benefit provisions of the act at the termination of em-  
27 ployment, filed the application for disability retirement with the  
28 retirement system within 30 days following such termination of  
29 employment and dies within 30 days after the date of retirement  
30 or the date of board approval, whichever is later.

1 29. The designation of beneficiary by a member or retirant shall  
2 be made in writing on a form satisfactory to the retirement system,  
3 and filed with the retirement system. The member or retirant may,  
4 from time to time and without the consent of his death benefit  
5 designee, change the beneficiary by filing written notice of the  
6 change with the system on a form satisfactory to it. The new  
7 nomination will be effective on the date the notice, in proper form,  
8 is received by the system, and any prior nomination shall thereupon  
9 become void.

10 If more than one beneficiary is nominated and in such nomination  
11 the member or retirant has failed to specify their respective  
12 interests, the beneficiaries shall share equally. If any beneficiary  
13 predeceases the member or retirant, the interest of such beneficiary

14 shall terminate and shall be shared equally by such of the bene-  
15 ficiaries as survive the member or retirant, unless the member or  
16 retirant has made written request to the contrary in his beneficiary  
17 nomination.

18 Any amounts due for which there is no beneficiary at the death of  
19 a member, retirant or beneficiary shall be payable to the estate of  
20 such member, retirant or beneficiary.

21 Except with regard to the payment of the member's aggregate  
22 contributions and the payment of  $\frac{1}{2}$  of final compensation upon the  
23 death of a retirant as provided in sections 8 c., 9 c., 10 c., 15, 27 b.,  
24 and 28 of chapter 89 of the laws of 1965, a member may elect, by  
25 making written request to the retirement system, that the whole or  
26 any part of his death benefits be made payable to his beneficiary  
27 either as a life annuity or in equal installments over a period of  
28 years specified in such election, and may alter such election from  
29 time to time during his lifetime by again making such written  
30 request. In the event of a change of beneficiary, any previous  
31 arrangement by the member or retirant under this paragraph shall  
32 be void. The election set forth in this paragraph shall not apply  
33 or be available when the beneficiary is an estate, or a corporation,  
34 partnership, association, institution, trustee, or any fiduciary.

35 If at the member's death, an amount of death benefit would be  
36 payable to the beneficiary in a single sum, any election with regard  
37 to such amount which was available to the member immediately  
38 prior to his death in accordance with the provisions of the im-  
39 mediately preceding paragraph shall then be available to such  
40 beneficiary for the benefit of such beneficiary.

1 30. a. If any member of the retirement system receives periodic  
2 benefits payable under the Workmen's Compensation Law during  
3 the course of his active service, in lieu of his normal compensation,  
4 his regular salary deductions shall be paid to the retirement system  
5 by his employer. Such payments shall be computed, in accordance  
6 with section 38 of chapter 89 of the laws of 1965, at the rate of  
7 contribution on the base salary subject to the retirement system,  
8 just prior to the receipt of the workmen's compensation benefits.  
9 The moneys paid by the employer shall be credited to the member's  
10 account in the annuity savings fund and shall be treated as em-  
11 ployee contributions for all purposes. The employer will terminate  
12 the payment of these moneys when the periodic benefits payable  
13 under the Workmen's Compensation Law are terminated or when  
14 the member retires.

15 The member for whom the employer is making such payments,  
16 will be considered as if he were in the active service.

17 b. An application for retirement benefits may be approved by the  
18 board of trustees while the member, applying for such benefits, is in  
19 receipt of periodic benefits under the Workmen's Compensation  
20 Law. In this event the actuarial equivalent of such periodic bene-  
21 fits remaining to be paid shall be computed and will serve to reduce  
22 the pension portion of the retirement allowance payable to the  
23 retirant, subject to the provisions of section 31 of this amendatory  
24 and supplementary act.

1 31. Any other provision of this act notwithstanding, (a) no  
2 beneficiary of a retirant who enrolled as a member on or after July  
3 1, 1971 and who retired for any reason other than disability shall  
4 be entitled to receive benefits pursuant to the death benefit cover-  
5 ages provided by sections 8 c., 27 b. and 28 of chapter 89 of the laws  
6 of 1965 if the retirant had less than 10 years of service credit for  
7 retirement purposes at the time of retirement; and (b) no member  
8 or beneficiary shall be entitled to receive a monthly retirement  
9 allowance or other benefit payable pursuant to chapter 89 of the  
10 laws of 1965 unless the amount of the allowance or benefit would be  
11 at least \$25.00 per month.

1 32. a. Any person entitled to become a member of the State Police  
2 Retirement System shall not be allowed any of the death benefits  
3 established by sections 8 c., 9 c., 10 c., 12 d., 13 d., 14 e., 15, 27 b., and  
4 28, if (1) he makes application for membership beyond the year  
5 after he first became eligible for membership or (2) he is eligible  
6 for membership on the basis of special legislation, unless the  
7 member furnishes satisfactory evidence of insurability and on the  
8 effective date of his membership is actively at work and performing  
9 all his regular duties at his customary place of employment.

10 The effective date of coverage for such death benefits shall be  
11 the first day of the month which immediately follows the date when  
12 such evidence is determined to be satisfactory.

13 b. Such evidence of insurability will not be required of any  
14 person becoming a member of the State Police Retirement System  
15 upon transfer from another State-administered retirement system,  
16 if such system provided death benefits of a similar nature and the  
17 transferring member was covered by such benefits at the time of the  
18 transfer. If such transferring member was not covered by such  
19 benefits at the time of the transfer, he may be allowed the death  
20 benefits of the State Police Retirement System subject to the pro-  
21 visions of subsection a. of this section; provided, however, that any  
22 such member must furnish satisfactory evidence of insurability  
23 under the provisions of subsection a. of this section if he had been

24 unable or failed to give such evidence as a member of the system  
25 from which he transferred.

26 c. Any person who must furnish satisfactory evidence of in-  
27 surability under the provisions of this section and who ceases to be  
28 a member of the retirement system without such evidence having  
29 been given, shall continue to be subject to the same requirement if  
30 he subsequently becomes a member.

1 33. This act shall take effect immediately.

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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 than 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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