

43:15A-6

LEGISLATIVE FACT SHEET

ON PERS - Revises

N.J.R.S. 43:15A-6

(1971 Amendment)

LAWS OF 1971

CHAPTER 213

June 17, 1971.

SENATE 1203

ASSEMBLY

INTRODUCED April 5, 1971

BY *Sateman et al.*

STATEMENT

YES

NO

AMENDED DURING PASSAGE

YES

NO

HEARING *None discovered*

VETO

*None discovered*

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STATEMENT

This legislation makes many changes in the sections of the act governing the Public Employees' 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. Benefits to be calculated on the basis of a 3-year average of salaries rather than on a 5-year average.
- b. After 25 years of service a member on "early" retirement incurs a reduction of 6% a year for each year he lacks of attaining

SENATE, No. 2203

STATE OF NEW JERSEY

INTRODUCED APRIL 5, 1971

By Senators BATEMAN, SEARS, BEADLESTON, CRABIEL, MATTURRI, SCIRO, DUMONT, GIULIANO, WALLWORK, HAGEDORN, SCHOEM, KNOWLTON, RINALDO, HIERING, SCHIAFFO, DELTUFO, STOUT, LYNCH, TANZMAN, HAUSER, GUARINI, W. F. KELLY, RIDOLFI, MUSTO and ITALIANO

(Without Reference)

AN ACT to amend the short title of the "Public Employees' Retirement-Social Security Integration Act," approved June 28, 1954 (P. L. 1954, c. 84), so that the same shall read the "Public Employees' Retirement System Act," and revising said act and certain acts supplemental thereto.

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

1 1. Section 6 of P. L. 1954, c. 84 (C. 43:15A-6) is amended to read  
2 to read as follows:

3 6. As used in this act:

4 a. "Accumulated deductions" means the sum of all the amounts,  
5 deducted from the compensation of a member or contributed by him  
6 *or on his behalf*, standing to the credit of his individual account in  
7 the annuity savings fund.

8 b. "Annuity" means payments for life derived from [contribu-  
9 tions made by] *the accumulated deductions of* a member as pro-  
10 vided in this act.

11 c. "Annuity reserve" means the present value of all payments  
12 to be made on account of any annuity or benefit in lieu of an annuity,  
13 granted under the provisions of this act, computed on the basis of  
14 such mortality tables *recommended by the actuary* as the board of  
15 trustees adopts, with regular interest.

16 d. "Beneficiary" means any person receiving a retirement  
17 allowance or other benefit as provided in this act.

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

18 e. "Child" means a deceased member's unmarried child either  
19 (1) under the age of 18 or (2) of any age who, at the time of the  
20 member's death, is disabled because of mental retardation or  
21 physical incapacity, is unable to do any substantial, gainful work  
22 because of the impairment and his impairment has lasted or can be  
23 expected to last for a continuous period of not less than 12 months,  
24 as affirmed by the medical board.

25 f. "Parent" shall mean the parent of a member who was receiv-  
26 ing at least 1/2 of his support from the member in the 12-month  
27 period immediately preceding the member's death or the accident  
28 which was the direct cause of the member's death. The dependency  
29 of such a parent will be considered terminated by marriage of the  
30 parent subsequent to the death of the member.

31 g. "Widower" means the man to whom a member was married  
32 at least 5 years before the date of her death and to whom she con-  
33 tinued to be married until the date of her death and who was receiv-  
34 ing at least 1/2 of his support from the member in the 12-month  
35 period immediately preceding the member's death or the accident  
36 which was the direct cause of the member's death. The dependency  
37 of such a widower will be considered terminated by marriage of the  
38 widower subsequent to the death of the member. In the event of the  
39 payment of an accidental death benefit, the 5-year qualification shall  
40 be waived.

41 [e.] h. "Final compensation" means the average annual com-  
42 pensation for which contributions are made for the [5] 3 years of  
43 creditable service in New Jersey immediately preceding his retire-  
44 ment or death, or it shall mean the average annual compensation  
45 for New Jersey service for which contributions are made during  
46 any [5] 3 fiscal years of his or her membership providing the  
47 largest possible benefit to the member or his beneficiary.

48 [f.] i. "Fiscal year" means any year commencing with July 1  
49 and ending with June 30 next following.

50 j. "Medical board" shall mean the board of physicians provided  
51 for in section 17 (C. 43:15A-17).

52 [g.] k. "Pension" means payments for life derived from appro-  
53 priations made by the employer as [formerly] provided in  
54 [chapters 14 and 15 of Title 43 of the Revised Statutes, or in] this  
55 act.

56 [h.] l. "Pension reserve" means the present value of all pay-  
57 ments to be made on account of any pension or benefit in lieu of a  
58 pension [formerly] granted under the provisions of [chapters 14  
59 and 15 of Title 43 of the Revised Statutes, or as provided in] this

60 act, computed on the basis of such mortality tables *recommended by*  
61 *the actuary* as the board of trustees adopts, with regular interest.

62 [i.] *m.* "Public Employees' Retirement System of New Jersey,"  
63 hereinafter referred to as the "retirement system," is the corporate  
64 name of the arrangement for the payment of retirement allowances  
65 and other benefits under the provisions of this act [and for the  
66 system] including the several funds [created and] placed under  
67 [the board of trustees of] said system. By that name all of its  
68 business shall be transacted, its funds invested, warrants for money  
69 drawn, and payments made and all of its cash and securities and  
70 other property held.

71 [j.] *n.* "Regular interest" shall mean interest as determined  
72 annually by the State Treasurer after consultation with the  
73 Directors of the Divisions of Investment and Pensions and the  
74 actuary of the system. It shall bear a reasonable relationship to  
75 the percentage rate of earnings on investments but shall not exceed  
76 105% of such percentage rate.

77 [k.] *o.* "Retirement allowance" means the pension plus the  
78 annuity.

79 [l.] *p.* "Veteran" means any honorably discharged officer,  
80 soldier, sailor, airman, marine or nurse who served in any Army,  
81 Air Force or Navy of the Allies of the United States in World War  
82 I, between July 14, 1914, and November 11, 1918, or who served in  
83 any Army, Air Force or Navy of the Allies of the United States in  
84 World War II, between September 1, 1939, and September 2, 1945,  
85 and who was inducted into such service through voluntary enlist-  
86 ment, and was a citizen of the United States at the time of such  
87 enlistment, and who did not, during or by reason of such service,  
88 renounce or lose his United States citizenship, and any officer,  
89 soldier, sailor, marine, airman, nurse or army field clerk, who has  
90 served in the active military or naval service of the United States  
91 and has or shall be discharged or released therefrom under condi-  
92 tions other than dishonorable, in any of the following wars, upris-  
93 ings, insurrections, expeditions, or emergencies, and who has pre-  
94 sented to the [board of trustees] *retirement system* evidence of  
95 such record of service in form and content satisfactory to said  
96 [board of trustees] *retirement system*:

97 (1) The Indian wars and uprisings during any of the periods  
98 recognized by the War Department of the United States as periods  
99 of active hostility;

100 (2) The Spanish-American War between April 20, 1898, and  
101 April 11, 1899;

102 (3) The Philippine insurrections and expeditions during the  
103 periods recognized by the War Department of the United States  
104 as of active hostility from February 4, 1899, to the end of 1913;

105 (4) The Peking relief expedition between June 20, 1900, and May  
106 27, 1902;

107 (5) The army of Cuban occupation between July 18, 1898, and  
108 May 20, 1902;

109 (6) The army of Cuban pacification between October 6, 1906, and  
110 April 1, 1909;

111 (7) The Mexican punitive expedition between March 14, 1916,  
112 and February 7, 1917;

113 (8) The Mexican border patrol, having actually participated in  
114 engagements against Mexicans between April 12, 1911, and June  
115 16, 1919;

116 (9) World War I, between April 6, 1917, and November 11, 1918;

117 (10) World War II, between September 16, 1940, and September  
118 2, 1945, who shall have served at least 90 days in such active service,  
119 exclusive of any period he was assigned (1) for a course of educa-  
120 tion or training under the Army specialized training program or  
121 the Navy college training program which course was a continuation  
122 of his civilian course and was pursued to completion, or (2) as a  
123 cadet or midshipman at one of the service academies any part of  
124 which 90 days was served between said dates; provided, that any  
125 person receiving an actual service incurred injury or disability shall  
126 be classed as a veteran whether or not he has completed the 90-day  
127 service as herein provided.

128 (11) Korean conflict after June 23, 1950, and prior to July 27,  
129 1953, who shall have served at least 90 days in such active service,  
130 exclusive of any period he was assigned (1) for a course of educa-  
131 tion or training under the Army specialized training program or the  
132 Navy college training program which course was a continuation of  
133 his civilian course and was pursued to completion, or (2) as a cadet  
134 or midshipman at one of the service academies, any part of which  
135 90 days was served between said dates; provided, that any person  
136 receiving an actual service incurred injury or disability shall be  
137 classed as a veteran whether or not he has completed the 90-day  
138 service as herein provided; and provided further, that any member  
139 classed as a veteran pursuant to this subparagraph prior to [the  
140 effective date of this amendatory act] *August 1, 1966*, shall continue  
141 to be classed as a veteran whether or not be completed the 90-day  
142 service between said dates as herein provided.

143 (12) Viet Nam conflict after December 31, 1960, and prior to the

144 date of termination as proclaimed by the Governor, who shall have  
 145 served at least [180] 90 days in such active service on overseas  
 146 duty, exclusive of any period he was assigned (1) for a course of  
 147 education or training under the Army specialized training program  
 148 or the Navy college training program which course was a continua-  
 149 tion of his civilian course and was pursued to completion, or (2) as  
 150 a cadet or midshipman at one of the service academies, any part of  
 151 which [180] 90 days was served between said dates; and exclusive  
 152 of any service performed pursuant to the provisions of section  
 153 511(d) of Title 10, United States Code, pursuant to an enlistment  
 154 in the Army National Guard or as a reserve for service in the Army  
 155 Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve,  
 156 or Coast Guard Reserve; *provided, that any person receiving an*  
 157 *actual service-incurred injury or disability shall be classed as a*  
 158 *veteran whether or not he has completed the 90 days service as*  
 159 *herein provided.*

160 q. *“Widow” means the woman to whom a member was married*  
 161 *at least 5 years before the date of his death and to whom he con-*  
 162 *tinued to be married until the date of his death and who was receiv-*  
 163 *ing at least 1/2 of her support from the member in the 12-month*  
 164 *period immediately preceding the member’s death or the accident*  
 165 *which was the direct cause of the member’s death. The dependency*  
 166 *of such a widow will be considered terminated by the marriage of*  
 167 *the widow subsequent to the member’s death. In the event of the*  
 168 *payment of an accidental death benefit, the 5-year qualification*  
 169 *shall be waived.*

170 r. *“Compensation” means the base or contractual salary, for*  
 171 *services as an employee, which is in accordance with established*  
 172 *salary policies of the member’s employer for all employees in the*  
 173 *same position but shall not include individual salary adjustments*  
 174 *which are granted primarily in anticipation of the member’s retire-*  
 175 *ment or additional remuneration for performing temporary or*  
 176 *extracurricular duties beyond the regular work day or the regular*  
 177 *work year. In cases where salary includes maintenance, the retire-*  
 178 *ment system shall fix the value of that part of the salary not paid in*  
 179 *money which shall be considered under this act.*

1 2. Section 10 of P. L. 1954, c. 84 (C. 43:15A-10) is amended to  
 2 read as follows:

3 10. Any [State] employee, *eligible for membership*, who had  
 4 entered or shall hereafter enter into the active air, military or  
 5 naval service of the United States before making application for  
 6 enrollment in the retirement system shall be accepted as a member

7 upon his filing application, provided such application is made  
 8 within 3 months after entry into such active air, military or naval  
 9 service, and his regular salary deduction as [determined by the  
 10 board of trustees] *provided by section 25 (C. 43:15A-25)* shall be  
 11 paid to the retirement system by the [employing department]  
 12 *employer* as provided by chapter 252 of the laws of 1942, as  
 13 amended by chapter 326 of the laws of 1942 (C. 38:23-5, 38:23-6).  
 14 [This provision shall not apply to any employee whose appoint-  
 15 ment is temporary or seasonal.]

1 3. Section 11 of P. L. 1954, c. 84 (C. 43:15A-11) is amended to  
 2 read as follows:

3 11. Any person employed temporarily by [the State] *an em-*  
 4 *ployer* and whose temporary employment resulted, *without inter-*  
 5 *ruption*, in permanent employment shall be permitted to make  
 6 contributions covering [this temporary] *such service on the basis*  
 7 *of rates as provided by* [in accordance with the rules and regula-  
 8 tions of the board of trustees] *section 25 (C. 43:15A-25)* and  
 9 receive the same [annuity and pension credits] *credit* as if he had  
 10 been a member during [his temporary] *such service. The member*  
 11 *must agree to make such contributions within 1 year after the effec-*  
 12 *tive date of this act or during his first year of membership in the*  
 13 *retirement system.*

1 4. Section 14 of P. L. 1954, c. 84 (C. 43:15A-14) is amended to  
 2 read as follows:

3 14. A person who has been *or is* a member of the Teachers'  
 4 [Retirement] *Pension and Annuity Fund* and who has taken or  
 5 shall take office, position or employment *in any position covered by*  
 6 *the Public Employees' Retirement System* [in the State service in  
 7 any capacity] and is a member of [the Public Employees' Retire-  
 8 ment System] *said system* shall be entitled, upon application  
 9 [therefor], to [prior] service [credit for the length of his mem-  
 10 bership] *credited* in such fund in the Public Employees' Retire-  
 11 ment System [or who shall become a member of the Teachers'  
 12 Pension and Annuity Fund, and who has taken or shall take office,  
 13 position or employment in the State service in any capacity, shall  
 14 be entitled, upon application therefor, to membership in the retire-  
 15 ment system,] upon [transferring] *transfer of his [interests]*  
 16 *contributions* from the Teachers' Pension and Annuity Fund to the  
 17 retirement system. If he has withdrawn his [interests] *contribu-*  
 18 *tions* from the Teachers' Pension and Annuity Fund, he [shall be  
 19 entitled to membership in the retirement system upon paying into  
 20 the latter fund such sum as shall be required by the trustees there-

21 for for that purpose] may purchase credit for all of his service in  
 22 the aforesaid fund by paying into the annuity savings fund the  
 23 amount required by applying the factor, supplied by the actuary, as  
 24 being applicable to his age at the time of the purchase, to his salary  
 25 at that time. The terms of the purchase and the credit granted shall  
 26 be identical to those stipulated for the purchase of previous mem-  
 27 bership service by members of the system as provided by section 8  
 28 (C. 43:15A-8). [For the purpose of carrying out the provisions  
 29 of this section, the board of trustees may make all necessary rules  
 30 and regulations.]

1 5. Section 15 of P. L. 1954, c. 84 (C. 43:15A-15) is amended to  
 2 read as follows:

3 15. The head of a department or branch of the State service not  
 4 included in a department employing a member shall submit to the  
 5 [board of trustees] *retirement system* a statement showing the  
 6 name, title, compensation, duties, date of birth and length of service  
 7 of the member and any other information the [board] *system*  
 8 requires.

1 6. Section 17 of P. L. 1954, c. 84 (C. 43:15A-17) is amended to  
 2 read as follows:

3 17. Subject to the provisions of chapter 70 of the laws of 1955,  
 4 the general responsibility for the proper operation of the Public  
 5 Employees' Retirement System [and for making effective the pro-  
 6 visions of this act] shall be vested in the board of trustees. Subject  
 7 to the limitations of the law, the board shall[, from time to time,]  
 8 *annually* establish rules and regulations for the administration and  
 9 transaction of its business and for the control of the funds created  
 10 by this subtitle [and shall perform any other functions required for  
 11 the execution of this act]. *Such rules and regulations shall be con-*  
 12 *sistent with those adopted by the other pension funds within the*  
 13 *Division of Pensions in order to permit the most economical and*  
 14 *uniform administration of all such retirement systems.*

15 The membership of the board shall consist of the following:

16 a. Two trustees appointed by the Governor, who shall serve at the  
 17 pleasure of the Governor and until their successors are appointed,  
 18 *who shall be private citizens of the State of New Jersey and who*  
 19 *are neither an officer thereof nor active or retired members of the*  
 20 *system.*

21 b. The State Treasurer or the Deputy State Treasurer, when  
 22 designated for that purpose by the State Treasurer.

23 c. Three trustees elected for a term of 3 years from among and  
 24 by the [member employees of the State in a manner prescribed by



25 the board of trustees] *active members of the retirement system or*  
26 *by the delegates elected for this purpose by the membership, one of*  
27 *whom shall be elected each year for a term commencing on April 1,*  
28 *following such election in such manner as the board of trustees may*  
29 *prescribe.*

30 d. One trustee [elected for a term of 3 years from among and by  
31 the member employees of counties and the same method of holding  
32 an election from time to time used for the State employees' repre-  
33 sentatives shall be followed in elections held for county  
34 representatives.

35 e. Two trustees elected for a term of 3 years from among and by  
36 the member employees of municipalities and the same method of  
37 holding an election from time to time used for the State employees'  
38 representatives shall be followed in elections held for municipal  
39 representatives; provided, however, at the first election for  
40 municipal representation, one trustee shall be elected to serve for a  
41 term of 2 years and the other trustee shall be elected to serve for a  
42 term of 3 years.] *not an active or retired member nor an officer of*  
43 *the State, elected by the other trustees, other than the State*  
44 *Treasurer, for a term of 3 years.*

45 A vacancy occurring [during a term] *in the board of trustees*  
46 shall be filled [for the unexpired term] by the appointment or elec-  
47 tion of a successor in the same manner as his predecessor.

48 Each member of the board shall, upon appointment or election,  
49 take an oath of office that, so far as it devolves upon him, he will  
50 diligently and honestly administer the board's affairs, and that he  
51 will not knowingly violate or willfully permit to be violated any  
52 provision of law applicable to this act. The oath shall be sub-  
53 scribed to by the member making it, certified by the officer before  
54 whom it is taken and filed immediately in the office of the Secretary  
55 of State.

56 Each trustee shall be entitled to one vote in the board and a  
57 majority of all the votes of the entire board shall be necessary for a  
58 decision by the *board of trustees* at a meeting of the board. The  
59 board shall keep a record of all its proceedings, which shall be open  
60 to public inspection.

61 The members of the board shall serve without compensation but  
62 shall be reimbursed for any necessary expenditures. No employee  
63 shall suffer loss of salary or wages through the serving on the  
64 board.

65 [For the purpose of organizing the Public Employees' Retirement  
66 System, the members of the board of trustees of the former

67 "State Employees' Retirement System," as of the effective date  
 68 of the repeal of that system, shall constitute the initial membership  
 69 of the board of trustees of the Public Employees' Retirement  
 70 System, for the remainder of the terms for which they were  
 71 appointed or elected as the case may be.】

72 *The terms of office of the members of the board of trustees on*  
 73 *the effective date of this amendatory and supplementary act shall*  
 74 *continue for the periods for which they were appointed or elected.*

75 The 【board of trustees】 *State Treasurer* shall designate a  
 76 medical board 【to be】 *after consultation with the director of the*  
 77 *Division of Pensions, subject to veto by the board of trustees for*  
 78 *valid reason. It shall be composed of three physicians 【as the board*  
 79 *shall designate】 who are not eligible to participate in the retirement*  
 80 *system. The medical board shall pass upon all medical examina-*  
 81 *tions required under the provisions of this act, shall investigate all*  
 82 *essential statements and certificates by or on behalf of a member in*  
 83 *connection with an application for disability retirement, and shall*  
 84 *report in writing to the 【board of trustees】 retirement system its*  
 85 *conclusions and recommendations upon all matters referred to it.*

1 7. Section 19 of P. L. 1954, c. 84 (C. 43:15A-19) is amended to  
 2 read as follows:

3 19. The actuary 【appointed by the board】 shall recommend, and  
 4 the 【board】 *Division of Pensions* shall keep in convenient form,  
 5 such data as shall be necessary for actuarial valuation of the  
 6 various funds created by this act. Once in every 5-year period,  
 7 【after the effective date of this section,】 the actuary shall make  
 8 an actuarial investigation into the mortality, service, and com-  
 9 pensation or salary experience of the members and beneficiaries  
 10 as defined in this chapter and shall make a valuation of the assets  
 11 and liabilities of the various funds created by this act. Upon the  
 12 basis of such investigation and valuation, *with the advice of the*  
 13 *actuary*, the board shall:

14 a. Adopt for the retirement system such mortality, service and  
 15 other tables as shall be deemed necessary;

16 b. Certify the rates of deduction from compensation computed  
 17 to be necessary to pay the annuities authorized under the provisions  
 18 of this act; and,

19 c. Certify the rates of contribution, expressed as a proportion  
 20 of the compensation of members which shall be made by the State  
 21 *and other employers* to the contingent reserve fund.

1 8. Section 21 of P. L. 1954, c. 84 (C. 43:15A-21) is amended to  
 2 read as follows:

3 21. The [board] *retirement system* shall publish annually a  
 4 report showing a valuation of the assets and liabilities of the funds  
 5 created by this act, certifying as to the accumulated cash and  
 6 securities of the funds and stating [any] other facts[, recom-  
 7 mendations and data which may be of use in the advancement of  
 8 knowledge concerning employees' pensions and annuities] *pertain-*  
 9 *ing to the system.* The board shall submit the report to the Gov-  
 10 ernor and furnish a copy to [the officers of each State department]  
 11 *every employer* for use of the [employees] *members* and the public.

1 9. Section 24 of P. L. 1954, c. 84 (C. 43:15A-24) is amended to  
 2 read as follows:

3 24. The contingent reserve fund shall be the fund in which shall  
 4 be credited contributions made by the State *and other employers.*

5 a. Upon the basis of such tables *recommended by the actuary* as  
 6 the board adopts, and regular interest, the actuary [of the board]  
 7 shall compute annually the amount of contribution, expressed as a  
 8 proportion of the compensation paid to all [employees] *members*,  
 9 which, if paid monthly during the entire prospective service of the  
 10 [employees] *members*, will be sufficient to provide for the pension  
 11 reserves required at the time of discontinuance of active service, to  
 12 cover all pensions to which they may be entitled or which are  
 13 payable on their account and to provide for the amount of the  
 14 death *and accidental disability* benefits payable on their account  
 15 [by the State], *and* which amount [are] *is* not covered by [accrued  
 16 liability] *other* contributions, to be made as provided in [paragraph  
 17 b. hereof,] *this section* and the funds in hand available for such  
 18 benefits. *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 [of the board]  
 21 shall compute[, annually,] the amount of the *unfunded* liability  
 22 *as of June 30, 1971* which has accrued *on the basis of service*  
 23 *rendered prior to July 1, 1971 by all members, including the amount*  
 24 *of the liability accrued* by reason of allowance to be granted on  
 25 account of services rendered by State employee veteran members  
 26 as provided in section 60 of this act prior to the establishment of  
 27 the retirement system, which has not already been covered by State  
 28 contributions to the former "State Employees' Retirement  
 29 System," *and including the accrued liabilities established by section*  
 30 *12 of chapter 67 of the laws of 1966 (C. 43:15A-37.1).* Using the  
 31 total amount of this *unfunded accrued* liability [remaining as a  
 32 basis], he shall compute the amount of the flat annual payment,  
 33 which, if paid in each succeeding fiscal year commencing with July  
 34 1, [1956] 1972, for a period of [30] 40 years, will provide for this

35 liability. The annual payment so computed and certified shall  
 36 remain fixed except that such liability shall be valued annually  
 37 and any additional liability which has accrued by reason of allow-  
 38 ances to be granted on account of services rendered by State em-  
 39 ployee veteran members as provided in section 60 shall be added  
 40 to the amount previously certified so that the entire liability shall  
 41 be paid within the **[30-year]** 40-year period commencing July 1,  
 42 **[1956]** 1972. This shall be known as the "accrued liability con-  
 43 tribution."

44 **[c.** Any accumulated reserves in the contingent reserve fund of  
 45 the former "State Employees' Retirement System," which have  
 46 not been set aside in a trust fund designated as Fund B as provided  
 47 in section 5 of this act shall be transferred to the contingent reserve  
 48 fund of the retirement system.]

49 **[d.] c.** The **[board]** retirement system shall **[estimate and]**  
 50 certify annually the aggregate amount payable to the contingent  
 51 reserve fund in the ensuing year, which amount shall be equal to  
 52 the sum of the amounts **[proportion of the earnable compensation**  
 53 **of all members, computed as]** described in **[paragraph a. hereof**  
 54 **and of the State's accrued liability contribution, payable in the**  
 55 **ensuing fiscal year, as described in paragraph b. hereof]** this  
 56 section. The State shall pay into the contingent reserve fund during  
 57 the ensuing year the amount so determined. The **[cash]** death  
 58 benefits, payable as a result of contribution by the State under  
 59 the provisions of this chapter upon the death of **[a]** an active or  
 60 retired member **[in active service,]** shall be paid from the con-  
 61 tingent reserve fund.

62 **[c.** Any other provision of this act notwithstanding, no payment  
 63 shall be made by the State to the contingent reserve fund on behalf  
 64 of service of State employee veteran members until the fiscal year  
 65 commencing July 1, 1956. This shall not affect the payment of  
 66 benefits to, and on behalf of, State employee veteran members prior  
 67 to said date, and any such.]

68 *d.* The disbursements for benefits not covered by reserves in the  
 69 system on account of veterans shall be met by direct contributions  
 70 of the State and other employers.

1 10. Section 25 of P. L. 1954, c. 84 (C. 43:15A-25) is amended to  
 2 read as follows:

3 25. The annuity savings fund shall be the fund in which shall be  
 4 credited accumulated deductions and contributions by **[from the**  
 5 **compensation of]** members or on their behalf to provide for their  
 6 **[annuities and withdrawal]** allowances. A single account shall be  
 7 established in this fund for each person who is or shall become a

8 member and all contributions deducted from each such member's  
9 compensation shall be credited to his account regardless of the  
10 number of positions a member might hold or the number of em-  
11 ployers as he might have.

12 Upon the basis of such tables *recommended by the actuary* as the  
13 board adopts, and regular interest, the actuary of the board shall  
14 determine for each member the proportion of compensation, ex-  
15 clusive of the rate for any additional death benefit provided under  
16 section 57 of this act which, when deducted from each payment of  
17 his prospective earnable compensation prior to service retirement  
18 and accumulated at regular interest until he retires, shall be com-  
19 puted to be sufficient to provide, at that time, an annuity equal to  
20  $\frac{1}{2}$  of the retirement allowance then allowable for service as a  
21 member [after the establishment of the retirement system].

22 Any member who was contributing to the former "State Em-  
23 ployees' Retirement System" shall continue to pay the proportion  
24 of compensation applicable to the age at enrollment, which pro-  
25 portion shall not be increased during the continuation of member-  
26 ship other than as provided in section 58, and shall make any special  
27 payments either as lump sums or as installment payments required  
28 as a result of election by the member to obtain additional service  
29 credit. Members enrolling on and after January 2, 1955 shall  
30 contribute at the proportions applicable to group two members of  
31 the former "State Employees' Retirement System" as of June 30,  
32 1949, except that the board of trustees may from time to time adopt  
33 for employees becoming members thereafter, new proportions of  
34 compensation to be determined as provided in the preceding para-  
35 graph. No member shall be required during the continuation of  
36 his membership to increase the proportion of compensation certified  
37 at the time of becoming a member as payable by him other than as  
38 provided in section 58.

39 The [board of trustees] *retirement system* shall certify to each  
40 State department or subdivision thereof, and to each branch of the  
41 State service not included in a State department, and to every  
42 other employer, the proportion of each member's compensation to  
43 be deducted [in accordance with rules and regulations established  
44 by the board] and to facilitate the making of deductions the [board  
45 of trustees] *retirement system* may modify the deduction required  
46 by a member by such an amount as shall not exceed  $\frac{1}{10}$  of 1% of  
47 the compensation upon the basis of which the deduction is to be  
48 made.

49 *If payment in full, representing the monthly or biweekly trans-*

50 *mittal and report of salary deductions, is not made within 15 days*  
 51 *of the due date established by the retirement system, interest at*  
 52 *the rate of 6% per annum shall commence to run against the total*  
 53 *transmittal of salary deductions for the period on the first day*  
 54 *after such fifteenth day.*

55 Every employee to whom this act applies shall be deemed to  
 56 consent and agree to any deduction from his compensation required  
 57 by this act and to all other provisions of this act. Notwithstanding  
 58 any other law, rule or regulation affecting the salary, pay, com-  
 59 pensation, other perquisites, or tenure of a person to whom this  
 60 act applies, or shall apply, and notwithstanding that the minimum  
 61 salary, pay, or compensation or other perquisites provided by law  
 62 for him shall be reduced thereby, payment, less such deductions,  
 63 shall be a full and complete discharge and acquittance of all claims  
 64 and demands for service rendered by him during the period covered  
 65 by such payment.

1 11. Section 27 of P. L. 1954, c. 84 (C. 43:15A-27) is amended to  
 2 read as follows:

3 27. The retirement reserve fund shall be the fund from which all  
 4 retirement allowances shall be paid. Upon the retirement of a  
 5 member **【the】** *his* accumulated deductions **【of the members】**  
 6 together with regular interest shall be transferred to the retirement  
 7 reserve fund from the annuity savings fund. The reserve needed  
 8 to produce the balance of the retirement allowance shall be trans-  
 9 ferred from the contingent reserve fund. If the **【pension or the**  
 10 **annuity】** *retirement allowance* of a member who has been retired  
 11 is subsequently canceled, the appropriate reserve shall be trans-  
 12 ferred to the annuity savings fund and the contingent reserve fund.  
 13 **【If the pension of a disability beneficiary is reduced as a result of**  
 14 **an increase in his earning capacity, the amount of the annual reduc-**  
 15 **tion in his pension shall be paid annually into the contingent reserve**  
 16 **fund during the period of the reduction.】**

17 Any surplus or deficit developing in the retirement reserve fund  
 18 shall be adjusted from time to time by transfer to or from the  
 19 contingent reserve fund by appropriate action of the **【board of**  
 20 **trustees】** *retirement system upon the advice of the actuary.*

1 12. Section 30 of P. L. 1954, c. 84 (C. 43:15A-30) is amended to  
 2 read as follows:

3 30. In accordance with the **【regular】** rate of contribution and the  
 4 extra salary deductions certified by the retirement system, each de-  
 5 partment **【head】** and **【the head of any】** *each* branch of State  
 6 service not within a department shall certify to the State Treasurer  
 7 the **【regular】** *contribution* and extra deductions to be made for the

8 retirement system. The State Treasurer shall pay each of the  
 9 amounts so deducted to the retirement system, and he shall trans-  
 10 fer to the **board of trustees** *retirement system* monthly or at  
 11 such interval as the **board** *system* designates a detailed state-  
 12 ment of all amounts so paid. The **secretary of the board** *retire-*  
 13 *ment system* shall cause each of the amounts so deducted to be  
 14 credited to the *individual* account of the member from whose com-  
 15 pensation the deduction was made.

1 13. Section 31 of P. L. 1954, c. 84 (C. 43:15A-31) is amended to  
 2 read as follows:

3 31. Each State department and branch of the State service not  
 4 included in a department shall keep such records and, from time to  
 5 time, furnish such information as the **board of trustees in the**  
 6 **discharge of its duties** *retirement system* may require.

1 14. Section 34 of P. L. 1954, c. 84 (C. 43:15A-34) is amended to  
 2 read as follows:

3 34. 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 accumulated deductions, 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 compensation,  
 9 not in excess of 25% of the member's compensation, made at the  
 10 same time compensation is paid to the member, but not after the  
 11 attainment of age 60. The amount so borrowed, together with inter-  
 12 est at the rate of 4% per annum on any unpaid balance thereof,  
 13 shall be repaid to the retirement system in equal installments by  
 14 deduction from the compensation of the member at the time the  
 15 compensation is paid or in **some other manner** *such lump sum*  
 16 *amount to repay the balance of the loan* but such installments shall  
 17 be at least equal to the member's **full** rate of contribution to the  
 18 retirement system and at least sufficient to repay the amount bor-  
 19 rowed with interest thereon by the time the member attains age 60.  
 20 Not more than two loans may be granted to any member in any  
 21 calendar year. Notwithstanding any other law affecting the salary  
 22 or compensation of any person or persons to whom this act applies  
 23 or shall apply, the additional deductions required to repay the loan  
 24 shall be made. Any unpaid balance of a loan at the time any benefit  
 25 may become payable, shall be deducted from the benefit otherwise  
 26 payable.

27 Loans **may** *shall* be made to a member from his accumulated  
 28 deduction. **In addition** the board of trustees is hereby authorized  
 29 to set aside moneys within the contingent reserve fund from which

30 loans to members may be made. If such moneys are used for the  
 31 purpose of making loans, the] *The* interest earned on such loans  
 32 shall be treated in the same manner as interest earned from invest-  
 33 ments of the retirement system.

1 15. Section 37 of P. L. 1954, c. 84 (C. 43:15A-37) is amended to  
 2 read as follows:

3 37. Regular interest charges payable, the creation and main-  
 4 tenance of reserves in the contingent reserve fund, the maintenance  
 5 of retirement reserves as provided for in this act and the payment  
 6 of all retirement allowances and other benefits granted by the board  
 7 of trustees under the provisions of this act, *except the amounts pay-*  
 8 *able by other employers*, are hereby made obligations of the State.  
 9 All income, interest and dividends derived from deposits and in-  
 10 vestments authorized by this act shall be used for the payment of  
 11 these obligations of the State *and other employers*.

12 Upon the basis of each actuarial determination and appraisal  
 13 provided for in this act, the board of trustees shall [prepare and]  
 14 submit to the Governor in each year an itemized [estimate] *state-*  
 15 *ment* of the amounts necessary to be appropriated by the State [to  
 16 the various funds] to provide for payment in full during the en-  
 17 suing fiscal year of the obligations of the State accruing during  
 18 that year. The Legislature shall make an appropriation sufficient  
 19 to provide for such obligations of the State. The amounts so ap-  
 20 propriated shall be paid into the [various funds created by this act]  
 21 *contingent reserve fund*.

1 16. Section 39 of P. L. 1954, c. 84 (C. 43:15A-39) is amended to  
 2 read as follows:

3 39. In computing for retirement purposes the total service as a  
 4 member about to be retired, the retirement system shall credit him  
 5 with the time of all service rendered by him since he last became a  
 6 member, and in addition with all the service to which he is entitled  
 7 and with no other service. Except as otherwise provided in this act,  
 8 such service credit shall be final and conclusive for retirement pur-  
 9 poses unless the member shall discontinue his service for more than  
 10 2 consecutive years.

11 For the purpose of computing service for retirement purposes,  
 12 the board shall fix and determine by appropriate rules and regula-  
 13 tions how much service in any year shall equal a year of service and  
 14 a part of a year of service. Not more than 1 year shall be credited  
 15 for all service in a calendar year. In computing [the] service, [or  
 16 in computing final compensation, no] time during which a member  
 17 was absent on *an official* leave without pay shall be credited, [un-  
 18 less] *if* such absence was for a period of (1) less than 3 months or



19 (2) up to a maximum of 2 years if the leave was due to the member's  
20 personal illness or maternity and [unless] the period of leave is  
21 allowed for retirement purposes within 1 year following his return  
22 to service after the termination of such leave, [both by the employer  
23 and by the board of trustees,] or (3) [unless] the period of leave  
24 was specifically allowed for retirement purposes by the provisions  
25 of any law of this State. [Any such member shall be required to  
26 contribute, either in a lump sum or by installment payments, an  
27 amount calculated, in accordance with the rules and regulations of  
28 the board of trustees, to cover the period of such official leave of  
29 absence without pay.] *The method of computation, the terms of the*  
30 *purchase and credit granted shall be identical to those stipulated*  
31 *for the purchase of previous membership service by members of the*  
32 *system as provided by section 8 (C. 43:15A-8). In computing the*  
33 *service or in computing final compensation no time during which a*  
34 *member was in employment, office, or position, for which the annual*  
35 *salary or remuneration was fixed at less than \$500.00 shall be*  
36 *credited, except that in the case of a veteran member credit shall be*  
37 *given for service rendered prior to January 2, 1955, in an employ-*  
38 *ment, office or position if the annual salary or remuneration there-*  
39 *for was fixed at not less than \$300.00 and such service consisted of*  
40 *the performance of the full duties of such employment, office or*  
41 *position.*

1 17. Section 41 of P. L. 1954, c. 84 (C. 43:15A-41) is amended to  
2 read as follows:

3 41. a. A member who withdraws from service or ceases to be an  
4 employee for any cause other than death or retirement shall, *upon*  
5 *the filing of an application therefor*, receive all of [the] his accumu-  
6 lated deductions standing to the credit of his individual account in  
7 the annuity savings fund, plus regular interest, less any outstanding  
8 loan, except that for any period after June 30, 1944, the interest pay-  
9 able shall be such proportion of the interest determined at the  
10 regular rate of 2% per annum bears to the regular rate of interest,  
11 and except that no interest shall be payable [on members' contribu-  
12 tions made after December 30, 1954,] in the case of a member who  
13 has less than 3 years of membership credit for which he has made  
14 contributions. [Except as provided for in sections 8 and 38 of this  
15 act, he] *He shall cease to be a member 2 years from the date he*  
16 *discontinued service as an eligible employee, or, if prior thereto,*  
17 *upon payment to him of his accumulated deductions. If any such*  
18 *person or member shall die before withdrawing or before endorsing*  
19 *the check constituting the return of his accumulated deductions, such*  
20 *deductions shall be paid to the member's beneficiary. No member*

21 shall be entitled to withdraw the amounts contributed by his em-  
22 ployer covering his military leave unless he shall have returned to  
23 the payroll and contributed to the retirement system for a period  
24 of 90 days.

25 b. Should a member resign after having established 25 years of  
26 creditable service before reaching age 60, he may elect "*early*  
27 *retirement,*" *provided, that such election is communicated by such*  
28 *member to the retirement system by filing a written application.*  
28A *duly attested, stating at what time subsequent to the execution and*  
29 *filing thereof he desires to be retired. He shall [to] receive, in lieu*  
30 *of the payment provided [for above but subject to the provisions*  
31 *of section 59 of this act] in subsection a. of this section, an*  
32 *annuity which is the actuarial equivalent of his accumulated*  
33 *deductions together with regular interest, and [in addition] a*  
34 *pension in the amount which, when added to the member's annuity,*  
35 *will [produce] provide a total retirement allowance of 1/70 of his*  
36 *final compensation for each year of service credited as Class A*  
37 *service and 1/60 of his final compensation for each year of service*  
38 *credited as Class B service, calculated in accordance with section 48*  
39 *(C. 43:15A-48) of this act, reduced by [1/2] 1/4 of 1% for each*  
40 *month that the member lacks of being age 60[, except that in the*  
41 *case of a member who has not attained age 53 the reduction is equal*  
42 *to 42% plus 1/6 of 1% for each month the member lacks of being*  
42A *age 53, and with the optional privileges provided for in section 50*  
43 *of this act]; provided, however, that upon the receipt of proper*  
44 *proofs of the death of such a member [after he shall have reached*  
45 *60 years of age] there shall be paid to his beneficiary an amount*  
46 *equal to 3/16 of the compensation upon which contributions by the*  
47 *member to the annuity savings fund were based in the last year of*  
48 *creditable service.*

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

52 c. Upon the receipt of proper proofs of the death of a member in  
53 service on account of which no accidental death benefit is payable  
54 under section 49 there shall be paid to such member's beneficiary:

55 (1) The member's accumulated deductions at the time of death  
56 together with regular interest; and

57 (2) An amount equal to  $1\frac{1}{2}$  times the compensation upon which  
58 contributions by the member to the annuity savings fund were based  
59 in the last year of creditable service; provided, however, that if such  
60 death shall occur after the member shall have attained age 70, the

61 amount payable shall equal 3/16 of such compensation instead of  
62 1½ times such compensation.

1 18. Section 44 of P. L. 1954, c. 84 (C. 43:15A-44) is amended  
2 to read as follows:

3 44. a. Once each year the [board of trustees] *retirement system*  
4 *may*, and upon his application shall, require any disability bene-  
5 ficiary who is under the age of 60 years to undergo medical examina-  
6 tion by a physician or physicians designated by the [board] *system*  
7 *for a period of 5 years following his retirement in order to deter-*  
8 *mine whether or not the disability which existed at the time he was*  
9 *retired has vanished or has materially diminished.* [The examina-  
10 tion shall be made by the beneficiary's personal physician or a  
11 physician designated by the board at the residence of the beneficiary  
12 or any other place mutually agreed upon.] If [the physician or  
13 physicians thereupon report and certify to the board that] the  
14 disability beneficiary [is not totally incapacitated either physically  
15 or mentally for the performance of duty, or if he] is engaged in an  
16 occupation, then the amount of his pension shall be reduced to an  
17 amount which, when added to the amount then earned by him, shall  
18 not exceed the amount of the salary now attributable to his former  
19 position. If his earnings have changed since the date of his last  
20 [examination] *adjustment*, then the amount of his pension may be  
21 further altered; but the new pension shall not exceed the amount  
22 of pension originally granted.

23 If a disability beneficiary, while under age of 60 years, refuses to  
24 submit to at least one medical examination in any year by a physi-  
25 cian or physicians designated by the [board] *system*, his pension  
26 shall be discontinued until withdrawal of his refusal. If the report  
27 of the medical board shall show that such beneficiary is able to  
28 perform either his former duty or other comparable duty which his  
29 former employer is willing to assign to him, the beneficiary shall  
30 report for duty; *such a beneficiary shall not suffer any loss of bene-*  
31 *fits while he awaits his restoration to active service.* If the bene-  
32 ficiary fails to return to duty within 10 days after being ordered  
33 so to do, or within such further time as may be allowed by the board  
34 of trustees for valid reason, as the case may be, the pension shall  
35 be discontinued during such default.

36 b. [Upon application to the head of the department in which he  
37 was employed at the time of his retirement, any beneficiary, while  
38 under the age of 60 years, may, in the discretion of the head of the  
39 department, be restored to active service as an employee. No dis-  
40 ability beneficiary restored to service shall be compelled or per-  
41 mitted to become a member of the retirement system, or to receive

42 any benefits other than those previously awarded to him, as long as  
43 his annual rate of compensation is less than his final compensation  
44 at the time of his retirement. Any beneficiary under the age of 60  
45 years, who is restored to active service at an annual rate of compen-  
46 sation equal to or greater than his final compensation at the time  
47 of his retirement, or whose annual rate of compensation is in-  
48 creased at any time after his restoration to service, to a rate  
48A equal to or greater than his final compensation at the time of  
48B his retirement, shall thereupon again become a member of the  
49 retirement system. His retirement allowance shall be canceled,  
50 and notwithstanding anything in this act to the contrary, his an-  
51 nuity reserve shall be transferred from the retirement reserve fund  
52 to his individual account in the annuity savings fund. Deductions  
53 shall be made from his compensation at the rate applicable to him  
54 prior to his retirement. Any service certificate on the basis of which  
55 his service was computed at the time of his retirement shall be  
56 restored to full force and effect, and he shall be credited with all  
57 service as a member standing to his credit at the time of his retire-  
58 ment; except that such a beneficiary again becoming a member shall  
59 receive a retirement allowance on subsequent retirement based on  
60 all his service as a member since his last return to membership, and  
61 in addition he shall receive a retirement allowance equal to the re-  
62 tirement allowance on which he was retired at the time of his last  
63 retirement, but the total retirement allowance upon subsequent  
64 retirement shall not be a greater proportion of his final compensa-  
65 tion than the proportion to which he would have been entitled had  
66 he remained in service during the period of his prior retirement. ]

67 *If a disability beneficiary becomes employed again in a position*  
68 *which makes him eligible to be a member of the retirement system,*  
69 *his retirement allowance and the right to any death benefit as a*  
70 *result of his former membership, shall be canceled until he again*  
71 *retires.*

72 *Such person shall be reenrolled in the retirement system and shall*  
73 *contribute thereto at a rate based on his age at the time of his prior*  
74 *enrollment. Such persons shall be treated as an active member for*  
75 *determining disability or death benefits while in service and no*  
76 *benefits pursuant to an optional selection with respect to his former*  
77 *membership shall be paid if his death shall occur during the period*  
78 *of such reenrollment.*

79 *Upon subsequent retirement of such member, he shall receive a*  
80 *retirement allowance based on all his service as a member computed*  
81 *in accordance with applicable provisions of this act, but the total*  
82 *retirement allowance upon subsequent retirement shall not be a*

83 *greater proportion of his final compensation that the proportion to*  
 84 *which he would have been entitled had he remained in service during*  
 85 *the period of his prior retirement. Any death benefit to which such*  
 86 *member shall be eligible shall be based on his latest retirement.*

87 [The provisions of subsection b. of this section pertaining to a  
 88 beneficiary restored to service, as altered by this amendatory and  
 89 supplementary act, shall not become effective for 5 years following  
 90 the effective date of the act.]

1 19. Section 45 of P. L. 1954, c. 84 (C. 43:15A-45) is amended  
 2 to read as follows:

3 45. A member upon retirement for ordinary disability shall  
 4 receive a retirement allowance, which shall consist of:

5 a. An annuity which shall be the actuarial equivalent of his  
 6 accumulated deductions [at the time of his retirement] together  
 7 with regular interest and

8 b. A pension in the amount which, when added to the member's  
 9 annuity, will provide a total retirement allowance of 1½% of final  
 10 compensation multiplied by his number of years of creditable ser-  
 11 vice; provided[, however] *further*, that in no event shall the allow-  
 12 ance be less than 40% of final compensation, except that in no case  
 13 shall the rate of allowance exceed 9/10 of the rate of the *regular*  
 14 *service retirement* allowance which the member would have received  
 15 had he remained in service *from the date of retirement* to age 60.

16 c. Upon the receipt of proper proofs of the death of a member  
 17 who has retired on an ordinary disability retirement allowance,  
 18 there shall be paid to such [person, if living, as he shall have nomi-  
 19 nated by written designation duly executed and filed with the board  
 20 of trustees, otherwise to the executor or administrator of the] mem-  
 21 ber's [estate] *beneficiary*, an amount equal to 1½ times the com-  
 22 pensation [received] *upon which contributions* by the member *to*  
 23 *the annuity savings fund were based* in the last year of creditable  
 24 service; *provided, however, that* if such death [occurs before] *shall*  
 25 *occur after* the member shall have [reached 60 years of age but if  
 26 such death occurs thereafter an] *attained age 60, the amount pay-*  
 27 *able shall equal [to] 3/16 of [the] such compensation [received by*  
 28 *the member in the last year of creditable service].*

1 20. Section 46 of P. L. 1954, c. 84 (C. 43:15A-46) is amended to  
 2 read as follows:

3 46. A member under 65 years of age upon retirement for acci-  
 4 dental disability shall receive a retirement allowance which shall  
 5 consist of:

6 a. An annuity which shall be the actuarial equivalent of his  
7 accumulated deductions [at the time of his retirement] together  
8 with regular interest; and

9 b. A pension, [in addition] *in the amount which, when added*  
10 *to the member's annuity, will provide a total retirement allowance*  
11 *of  $\frac{2}{3}$  of his actual annual compensation for which contributions*  
12 *were being made at the time of the occurrence of the accident.*

13 c. Upon receipt of proper proofs of the death of a member who  
14 has retired on an accidental disability retirement allowance,  
15 there shall be paid to such [person, if living, as he shall have  
16 nominated by written designation duly executed and filed with the  
17 board of trustees, otherwise to the executor or administrator of  
18 the] member's [estate] *beneficiary*, an amount equal to  $1\frac{1}{2}$  times  
19 the compensation [received] *upon which contributions* by the mem-  
20 *ber to the annuity savings fund were based* in the last year of cred-  
21 *itable service; provided, however, that if such death [occurs be-*  
22 *fore] shall occur after the member shall have [reached 60 years*  
23 *of age but if such death occurs thereafter an] attained age 60, the*  
24 *amount payable shall equal [to]  $\frac{3}{16}$  of [the] such compensation*  
25 *[received by the member in the last year of creditable service].*

1 21. Section 47 of P. L. 1954, c. 84 (C. 43:15A-47) is amended to  
2 read as follows:

3 47. [Retirement from service shall be as follows:]

4 a. A member who [shall have reached] *has attained* 60 years of  
5 age may retire *on a* [from] *service retirement allowance* by filing  
6 with the [board of trustees] *retirement system* a written [state-  
7 ment] *application*, duly attested, stating at which time subsequent  
8 to the execution and filing thereof he desires to be retired. The  
9 board of trustees shall retire him at the time specified or at such  
10 other time within [30 days] *1 month* after the date so specified as  
11 the board finds advisable.

12 b. [A] *Any member in service* who [shall have reached] *attains*  
13 70 years of age shall be retired by the board of trustees *on a* [for]  
14 *service retirement allowance* forthwith *on the first day of the next*  
15 *calendar month*, or at such time within [90 days] *1 month* there-  
16 *after* as it [deems] *finds* advisable, except that an employee [reach-  
17 ing] *attaining* 70 years of age may be continued in service [from  
18 time to time] *on an annual basis* upon written notice to the [board  
19 of trustees] *retirement system* by the head of the *State depart-*  
20 *ment or employer* where the employee is employed.

1 22. Section 48 of P. L. 1954, c. 84 (C. 43:15A-48) is amended to  
2 read as follows:

3 48. [Subject to the provisions of section 59 of this act, a] A  
 4 member, upon retirement for service, shall receive a retirement  
 5 allowance consisting of:

6 a. An annuity which shall be the actuarial equivalent of his  
 7 accumulated deductions [at the time of his retirement] together  
 8 with regular interest; and

9 b. A pension *in the amount* which, when added to the *member's*  
 10 annuity, will [produce a] *provide a total* retirement allowance of  
 11  $\frac{1}{70}$  of his final compensation for each year of service credited as  
 12 Class A service and  $\frac{1}{60}$  of his final compensation for each year  
 13 of service credited as Class B service.

14 [c. If in the case of a member who was age 60 or over on June 30,  
 15 1953, who if he had retired immediately would have had an annuity  
 16 in excess of  $\frac{1}{140}$  of his final compensation for each year of mem-  
 17 bership service credited as a Class A member and  $\frac{1}{120}$  of his final  
 18 compensation for each year of membership service credited as a  
 19 Class B member, the amount of such excess annuity determined  
 20 as of such date shall not be used in determining the pension on  
 21 immediate or subsequent retirement.]

22 [d.] c. Upon the receipt of proper proofs of the death of a mem-  
 23 ber who has retired on a service retirement allowance, there shall  
 24 be paid to [such person, if living, as he shall have nominated by  
 25 written designation duly executed and filed with the board of trust-  
 26 tees, otherwise to the executor or administrator of] the member's  
 27 [estate] *beneficiary*, an amount equal to  $\frac{3}{16}$  of the compensation  
 28 [received] *upon which contributions* by the member *to the annuity*  
 29 *savings fund were based* in the last year of creditable service.

1 23. Section 49 of P. L. 1954, c. 84 (C. 43:15A-49) is amended to  
 2 read as follows:

3 49. a. Upon the death of a member in active service as a result  
 4 of an accident [arising out of and in the course of his employment]  
 5 *met in the actual performance of duty at some definite time and*  
 6 *place* and not as the result of his willful negligence, an [accident]  
 7 *accidental* death benefit shall be payable, if a report of the accident  
 8 is filed in the office of the retirement system within 60 days next  
 9 following the accident, but the board of trustees may waive such  
 10 time limit, for a reasonable period, if in the judgment of the board  
 11 the circumstances warrant such action. [Evidence must be sub-  
 12 mitted to the board of trustees proving that the natural and prox-  
 13 imate cause of his death was an accident arising out of and in the  
 14 course of employment at some definite time and place.]

15 [Upon application by or on behalf of the dependents of such  
 16 deceased member, in addition to the payment of his accumulated

17 deductions with regular interest, an allowance of  $\frac{1}{2}$  of the final  
18 compensation of such employee, if the member was a male employee,  
19 shall be payable as a pension to his widow, to continue during her  
20 widowhood; or, if no widow, or in case the widow dies or remarries  
21 before the youngest child of such deceased member attains age 18,  
22 or if the member was a married female employee, then to the child  
23 or children of such member under age 18, to continue until the  
24 youngest surviving child dies or attains age 18. If there be no  
25 widow or child under age 18 surviving such member, or if the mem-  
26 ber was never married, then there shall be paid a cash sum equal  
27 to the amount stipulated under section 41(c) (2) of this act to his  
28 or her beneficiary. In no case shall the accident death benefit under  
29 this section be less than that provided for ordinary death benefit  
30 under the provisions of section 41 (c) (2).】

31 No such application shall be valid or acted upon unless it is filed  
32 in the office of the retirement system within 【2】 5 years of the date  
33 of 【the accident; but the board may waive such time limit, for a  
34 reasonable period, if in the judgment of the board the circumstances  
35 warrant such action】 such death.

36 *b. Upon the receipt of proper proofs of the death of a member*  
37 *on account of which an accidental death benefit is payable, there*  
38 *shall be paid to his widow or widower a pension of 50% of the*  
39 *compensation, upon which contributions by the member to the an-*  
40 *nuity savings fund were based in the last year of creditable service,*  
41 *for the use of herself or himself and the children of the deceased*  
42 *member, to continue during her or his widowhood; if there is no*  
43 *surviving widow or widower or in case the widow or widower dies*  
44 *or remarries, 20% of such compensation will be payable to one*  
45 *surviving child, 35% of such compensation to two surviving chil-*  
46 *dren in equal shares and if there be three or more children, 50%*  
47 *of such compensation will be payable to such children in equal*  
48 *shares. If there is no surviving widow, widower or child, 25% of*  
49 *the compensation upon which contributions by the member to the*  
50 *annuity savings fund were based in the last year of creditable ser-*  
51 *vice, will be payable to one surviving parent or 40% of such com-*  
52 *penetration will be payable to two surviving parents in equal shares.*  
53 *In the event of accidental death occurring in the first year of cred-*  
54 *itable service, the benefits, payable pursuant to this subsection,*  
55 *shall be computed at the annual rate of compensation.*

56 *c. If there is no surviving widow, widower, child or parent, there*  
57 *shall be paid to any other beneficiary of the deceased member his*  
58 *accumulated deductions at the time of death.*



59 *d. In no case shall the death benefit provided in subsection b.*  
60 *be less than that provided under subsection c.*

61 *c. In addition to the foregoing benefits payable under subsec-*  
62 *tion b. or c., there shall also be paid in one sum to such member's*  
63 *beneficiary an amount equal to 1 1/2 times the compensation upon*  
64 *which contributions by the member to the annuity savings fund*  
65 *were based in the last year of creditable service; provided, how-*  
66 *ever, that if such death shall occur after the member shall have*  
67 *attained age 70, the amount payable shall equal 3/16 of such com-*  
68 *penetration instead of 1 1/2 times such compensation.*

1 24. Section 52 of P. L. 1954, c. 84 (C. 43:15A-52) is amended to  
2 read as follows:

3 52. The various funds created by this act shall be subject to  
4 examination by the **Commissioner** Department of **Banking and**  
5 Insurance. The Commissioner of **Banking and** Insurance shall  
6 have the power, whenever he deems the same expedient, to make  
7 or cause to be made an examination of all the assets and liabilities,  
8 method of conducting business and all other affairs of the retire-  
9 ment system and shall make such examination at least once every  
10 **[2]** 3 years. **[His first examination after the effective date of this**  
11 **act shall be for the period ending June 30, 1956.]**

12 **[For the purpose of such examination the Commissioner of**  
13 **Banking and Insurance may employ such persons to conduct the**  
14 **same or to assist therein as he may deem advisable.]** For the  
15 purpose of such examination all securities, books, papers or other  
16 documents **[owned by,]** in the possession of**[, or relating to]** the  
17 retirement system shall be made available on demand for **[the]**  
18 inspection **[of the commissioner or any of his duly authorized as-**  
19 **sistants]**. The report on such examination shall be filed in the  
20 Department of **Banking and** Insurance and a copy thereof shall  
21 be transmitted to the *board of trustees and the actuary* of the  
22 system and to the *Division of Pensions* **[Governor]**. Neither the  
23 commissioner nor any appointee thereof shall be liable for any  
24 statement included therein.

1 25. Section 54 of P. L. 1954, c. 84 (C. 43:15A-54) is amended to  
2 read as follows:

3 54. If any change or error in records results in an employee  
4 or beneficiary receiving from the retirement system more or less  
5 than he would have been entitled to receive had the records been  
6 correct, then on discovery of the error, the **[board of trustees]**  
7 *retirement system* shall correct it and, so far as practicable, ad-  
8 just the payments in such a manner that the actuarial equivalent  
9 of the benefit to which he was correctly entitled shall be paid.

10     *The application of any member for prior service credit shall be*  
11     *approved if the employer stipulates, in writing, to the retirement*  
12     *system that the information necessary for the award of such credit*  
13     *was not presented to the employee and agrees to make the neces-*  
14     *sary additional contribution to the contingent reserve fund.*

1     26. Section 56 of P. L. 1954, c. 84 (C. 43:15A-56) is amended to  
2     read as follows:

3     56. No public employee veteran eligible for membership in the  
4     Public Employees' Retirement System shall be eligible for, or re-  
5     ceive, retirement benefits under R. S. 43:4-1, 43:4-2 and 43:4-3.

6     [All other employees in the classified civil service of the State  
7     who are not veterans and who are in any office or employment  
8     covered by a noncontributory pension law of this State providing  
9     for the payment of pensions to State employees may, by written  
10     application to the board of trustees created under this act, renounce  
11     the benefits as therein provided for, in the manner prescribed by  
12     the board of trustees, and may be admitted to membership in the  
13     fund created under this act in the same manner as other State  
14     employees.]

1     27. Section 60 of P. L. 1954, c. 84 (C. 43:15A-60) is amended to  
2     read as follows:

3     60. a. Each public employee veteran member shall have returned  
4     to him his accumulated deductions as of January 2, 1955. All  
5     service rendered in office, position, or employment of this State or  
6     of a county, municipality, school district [or], board of education,  
7     or other public employer, or service rendered for the State Uni-  
8     versity of New Jersey, an instrumentality of this State, after April  
9     16, 1945, and the New Jersey State Agricultural Experiment  
10     Station established by an act approved March 10, 1880 (P. L. 1880,  
11     c. 106 and continued pursuant to chapter 16 of Title 4 of the Re-  
12     vised Statutes), an instrumentality of this State, excluding service  
13     rendered as county extension service farm and home demonstration  
14     agents, by such veteran member previous to January 2, 1955, for  
15     which evidence satisfactory to the [board of trustees] retirement  
16     system is presented, shall be credited to him as a "Class B" mem-  
17     ber [and such credit shall be known as prior service credit] and  
18     the obligation of the employer on account of such credit shall be  
19     known as the accrued liability on behalf of such veteran member;  
20     provided, however, that no credit shall be allowed for such service  
21     rendered prior to January 2, 1955 unless the member [whose ser-  
22     vice has been continuous since January 2, 1955,] purchases credit  
23     for all eligible service rendered on or after such date[, or in the  
24     event service has not been continuous since January 2, 1955, the

25 member agrees to purchase all credit between January 2, 1955 and  
26 the date of termination of employment. Service by a veteran mem-  
27 ber as a member of the Congress of the United States from the  
28 State of New Jersey, if any, pursuant to election or appointment  
29 as a United States Senator or member of the United States House  
30 of Representatives shall be included within the calculation of prior  
31 service, as though such service had been rendered in office, position  
32 or employment of this State].

33 b. The accrued liability on behalf of State employee veteran mem-  
34 bers including veteran members employed by the State University  
35 of New Jersey or by the New Jersey Agricultural Experiment  
36 Station shall be paid by the State as provided in section 24. The  
37 accrued liability on behalf of other public employee veteran mem-  
38 bers shall be paid by their employers, as of January 2, 1955, or the  
39 date of the next annual valuation of the retirement system follow-  
40 ing his enrollment, whichever is later, in the same manner as pro-  
41 vided in the case of State employee veteran members in section 24.  
42 The [board of trustees] *retirement system* shall certify to the chief  
43 fiscal officer of the employer the accrued liability contribution pay-  
44 able by such employer on behalf of veteran members [as if they  
45 were State employees].

46 c. Each public employee veteran member shall make contributions  
47 to the retirement system at the [proportions] *rates of contribution*  
48 applicable to Class B members of group two of the former "State  
49 Employees' Retirement System" as of June 30, 1949, [except that  
50 the board of trustees may from time to time adopt for employees  
51 becoming members after January 2, 1955 new proportions of com-  
52 pensation to be determined] as provided in section 25. Each public  
53 employee veteran member shall pay the proportion of compensation  
54 applicable to his age at the commencement of employment, position  
55 or office with the State, any county, municipality or school district  
56 [or], board of education, or other public employer except that  
57 where such service has not been continuous, the public employee  
58 veteran member shall pay the proportion of compensation appli-  
59 cable to the age resulting from the subtraction of his years of ser-  
60 vice from his age as of January 2, 1955. No public employee veteran  
61 member shall be required during the continuation of his member-  
62 ship to increase the proportion of compensation certified at the time  
63 of becoming a member as payable by him, except as [required by  
64 changes in the rate of contributions to the Social Security Fund]  
65 *provided in section 58 (C. 43:15A-58).*

66 d. In the event that a public employee veteran who prior to  
 67 January 2, 1955 rendered service in office, position or employment  
 68 of this State, including such service rendered for any instrumen-  
 69 tality enumerated in paragraph a. of this section, or of a county,  
 70 municipality, or school district [or], board of education, *or other*  
 71 *public employer*, but who is not in such office, position or employ-  
 72 ment on January 2, 1955, shall later become a member of the re-  
 73 tirement system, such public employee veteran *member* shall receive  
 74 prior service credit for service rendered prior to January 2, 1955,  
 75 for which evidence satisfactory to the [board of trustees] *retire-*  
 76 *ment system* is presented, [in the same manner as received by other  
 77 public employee veteran members] and shall pay the proportion  
 78 of compensation, applicable to the age resulting from the subtrac-  
 79 tion of his years of such prior service from his age on the date of  
 80 his becoming a member of the retirement system *as provided in*  
 81 *section 25 (C. 43:15A-25)*. The employer of such public employee  
 82 veteran on the date of his becoming a member shall pay the accrued  
 83 liability on behalf of such prior service, and such [accrued]  
 84 liability shall be paid in such a manner that the total obligation  
 85 will be met within the period of time fixed for the liquidation of  
 86 [all accrued liabilities] *such accrued liability* of the employer.

1 28. Section 61 of P. L. 1954, c. 84 (C. 43:15A-61) is amended to  
 2 read as follows:

3 61. a. [Subject to the provisions of section 59 of this act, any]  
 4 *Any* public employee veteran member in office, position or employ-  
 5 ment of this State or of a county, municipality, public agency, [or]  
 6 school district or board of education on January 2, 1955, who  
 7 remains in [such] *continuous* service thereafter and who has or  
 8 shall have attained the age of 60 years and who has or shall have  
 9 been for 20 years [in the aggregate] in office, position or employ-  
 10 ment of this State or of a county, municipality, public agency, [or]  
 11 school district or board of education, shall have the privilege of  
 12 retiring for service and of receiving, instead of the retirement  
 13 allowance provided under section 48 of this act, a retirement allow-  
 14 ance of  $\frac{1}{2}$  of the compensation received during the last year of  
 15 employment upon which contributions to the annuity savings fund  
 16 or contingent reserve fund are made [with the optional privileges  
 17 provided for in section 50 of this act].

18 b. [Subject to the provisions of section 59 of this act, any] *Any*  
 19 *public employee* veteran becoming a member after January 2, 1955  
 20 who shall be in office, position or employment of this State or of a  
 21 county, municipality, public agency, [or] school district or board  
 22 of education and who shall have attained 62 years of age and who

23 has 20 years of aggregate service credit in such office, position or  
24 employment, shall have the privilege of retiring for service and  
25 **[of]** receiving, instead of the retirement allowance provided under  
26 section 48 of this act, a retirement allowance of  $\frac{1}{2}$  of the compensa-  
27 tion received during the last year of employment upon which con-  
28 tributions to the annuity savings fund or contingent reserve fund  
29 are made **[with the optional privileges provided for in section 50**  
30 **of this act]**. The provisions of this subsection shall also apply to  
31 any veteran who was a member on January 2, 1955, but whose ser-  
32 vice was not continuous thereafter.

33 c. **[Subject to the provisions of section 59 of this act, any]** *Any*  
34 public employee veteran member who has been for 20 years in the  
35 aggregate in office, position or employment of this State or of a  
36 county, municipality, public agency, **[or]** school district or board  
37 of education as of January 2, 1955 shall have the privilege of  
38 retiring for ordinary disability and of receiving, instead of the  
39 retirement allowance provided under section 45 of this act, a re-  
40 tirement allowance of  $\frac{1}{2}$  of the compensation received during the  
41 last year of employment upon which contributions to the annuity  
42 savings fund or contingent reserve fund are made **[with the**  
43 **optional privileges provided for in section 50 of this act]**. Such  
44 retirement shall be subject to the provisions governing ordinary  
45 disability retirement in sections 42 and 44 of this act.

46 d. The death benefit provided in **[subsection d. of]** section 48  
47 shall apply in the case of any member retiring under the provisions  
48 of subsections a. and b. of this section. The death benefit provided  
49 in section 45 shall apply in the case of any member retiring under  
50 the provisions of subsection c. of this section.

1 29. Section 64 of P. L. 1954, c. 84 (C. 43:15A-64) is amended to  
2 read as follows:

3 64. Any other provision of this act notwithstanding (a) any  
4 member of the retirement system who is not covered under the old-  
5 age and survivor's insurance provisions of Title II of the Federal  
6 Social Security Act as a public employee shall not be eligible for  
7 the death benefit provisions of sections 38, 41, 45 (c), 46 (c), 48  
8 **[(d)]** (c), 49 (e) and 57 except for the payment of accumulated  
9 deductions together with regular interest; (b) *no beneficiary of a*  
10 *pensioner who enrolled as a member on or after July 1, 1971 and*  
11 *who retired for any reason other than disability shall be entitled*  
12 *to receive benefits pursuant to the noncontributory death benefit*  
13 *coverages provided by this chapter if the pensioner had less than 10*  
14 *years of service credit for retirement purposes at the time of retire-*  
15 *ment; (c) no member or beneficiary shall be entitled to receive a*

16 *monthly retirement allowance or other benefit payable pursuant*  
17 *to this chapter unless the amount of the allowance or benefit would*  
18 *be at least \$25.00 per month.*

1 30. Section 65 of P. L. 1954, c. 84 (C. 43:15A-65) is amended to  
2 read as follows:

3 65. (a) All employees of any public agency or organization of  
4 this State, which employs persons engaged in service to the public,  
5 shall be eligible to participate in the Public Employees' Retirement  
6 System provided, the employer consents thereto by resolution and  
7 files a certified copy of such resolution with the board of trustees  
8 of the Public Employees' Retirement System and the board of  
9 trustees approves thereof by resolution. Such organization shall  
10 be referred to in this act as the employer. If the participation  
11 of such employees is so approved then the employer shall contribute  
12 to the contingent reserve fund on account of its members at the  
13 same rate per centum as would be paid by [the State, if the mem-  
14 bers were State employees] *employers other than the State.*

15 (b) Notwithstanding the provisions of paragraph (a) of this  
16 section, every person becoming an employee of a public agency  
17 or organization of this State, which employs persons engaged in  
18 service to the public, after June 30, 1966, who is not eligible to  
19 become a member of any other retirement system, shall be required  
20 to participate in the Public Employees' Retirement System. Not-  
21 withstanding the provisions of paragraph (a) of this section,  
22 membership in the Public Employees' Retirement System shall be  
23 optional with any person in the employ of any such public agency  
24 or organization on June 30, 1966, provided such person is not  
25 required to be a member pursuant to another provision of this  
26 act, and provided further, that such person is not eligible to be a  
27 member of any other retirement system. The provisions of this  
28 subsection shall not apply to any person whose position is  
29 temporary or seasonal, nor to any person in office, position or em-  
30 ployment for which the annual salary or remuneration is fixed  
31 at less than \$500.00, nor to any person whose position is not  
32 covered by the old-age and survivors' insurance provisions of the  
33 Federal Social Security Act. The public agency or organization  
34 employing any such person who becomes a member of the retire-  
35 ment system pursuant to this paragraph shall contribute to the  
36 contingent reserve fund on account of such employees at the same  
37 rate per centum as would be paid by [the State if the members  
38 were State employees] *employers other than the State.*

1 31. Section 68 of P. L. 1954, c. 84 (C. 43:15A-68) is amended to  
2 read as follows:

3 68. The Public Employees' Retirement System shall certify to  
 4 the chief fiscal officer of the employer the rates of contributions  
 5 payable by members[, as if they were State employees]. The  
 6 system shall further certify the contributions, including the accrued  
 7 liability contribution similar to the State accrued liability con-  
 8 tribution, payable by the employer to the contingent reserve fund  
 9 on behalf of these members, [as if they were State employees,]  
 10 and a pro rata share of the cost of the administration of the retire-  
 11 ment system, based upon the payroll of the members who are  
 12 employees of the employer. The initial actuarial expense incident  
 13 to the determination of the accrued liability contribution payable  
 14 by the employer, shall be paid by the employer. The amount  
 15 certified by the system as payable by such employer to the con-  
 16 tingent reserve fund shall be included in the next budget subsequent  
 17 to the certification by the system. The treasurer or corresponding  
 18 officer shall pay on July 1 in each year to the State Treasurer the  
 19 amount of the employer's charges so certified. If payment of the  
 20 full amount of such obligation is not made within 30 days after  
 21 July 1, interest at the rate of [4] 6% per annum shall commence  
 22 to run against the unpaid balance thereof on the first day after  
 23 such thirtieth day. The treasurer or corresponding officer shall  
 24 also pay to the State Treasurer the amount of the deductions from  
 25 the compensation of the members who are employees of the em-  
 26 ployer [in accordance with the rules and regulations established  
 27 by the board of trustees]. The State Treasurer shall credit these  
 28 amounts to the appropriate fund or account.

1 32. Section 72 of P. L. 1954, c. 84 (C. 43:15A-72) is amended to  
 2 read as follows:

3 72. [Whenever] *If possible, whenever* any beneficiary [member]  
 4 of the Public Employees' Retirement System of New Jersey [who  
 5 has retired or shall retire from active service] shall, in writing,  
 6 request the [board of trustees] *Division of Pensions* to make de-  
 7 ductions from his retirement allowance *or pension* for the payment  
 8 of premiums for [any hospital service plan or medical surgical plan  
 9 or both] *the pensioners' group health insurance plan or the State*  
 10 *Health Benefits Program*, the [board of trustees] *division* may  
 11 make such deductions and transmit the sum so deducted to the  
 12 [company] *companies* carrying the [policy or] policies. Any such  
 13 written authorization may be withdrawn by any [member] *bene-*  
 14 *fiary* upon filing notice of such withdrawal with the [board of  
 15 trustees] *division*.

1 33. Section 73 of P. L. 1954, c. 84 (C. 43:15A-73) is amended to  
 2 read as follows:

3 73. a. The [board of trustees of the] Public Employees' Retirement  
4 System is hereby authorized and directed to enroll [in the  
5 Public Employees' Retirement System] *eligible* employees of the  
6 New Jersey Turnpike Authority, the New Jersey Highway Authority,  
7 Palisades Interstate Park Commission, Interstate Sanitation  
8 Commission, the Delaware River Basin Commission and the Delaware  
9 River Joint Toll Bridge Commission [who consent and file  
10 application for membership in said retirement system; those employees  
11 of such agencies or instrumentalities who are members of  
12 the Public Employees' Retirement System by virtue of section 7 of  
13 this act are not required to file application for membership in said  
14 retirement system].

15 In the case of the Delaware River Joint Toll Bridge Commission,  
16 the *eligible* employees shall be only those who are employed on the  
17 free bridges across the Delaware river, under the control of said  
18 commission.

19 [Upon such enrollment, the] *The* said employees shall be subject  
20 to the same *membership*, contribution and benefit provisions of the  
21 retirement system as State employees.

22 b. The State University of New Jersey, as an instrumentality  
23 of the State, shall, for all purposes of this act, be deemed an employer  
24 and its *eligible* employees, both veterans and nonveterans,  
25 shall be subject to the same membership, contribution and benefit  
26 provisions of the retirement system and to the provisions of chapter  
27 3 of Title 43 of the Revised Statutes as are applicable to State  
28 employees and for all purposes of this act employment by the State  
29 University of New Jersey after April 16, 1945, and for the purposes  
30 of chapter 3 of Title 43 of the Revised Statutes any new employment  
31 after [the effective date of this amendatory act] *January 1,*  
32 *1955*, shall be deemed to be and shall be construed as service to  
33 and employment by the State of New Jersey.

34 c. The Compensation Rating and Inspection Bureau, created and  
35 established pursuant to the provisions of R. S. 34:15-89, shall, for  
36 all purposes of this act, be deemed an employer and its *eligible* employees,  
37 both veterans and nonveterans, shall be subject to the same  
38 membership, contribution and benefit provisions of the retirement  
39 system and to the provisions of chapter 3 of Title 43 of the Revised  
40 Statutes as both are applicable to State employees.

41 The [board of trustees] *retirement system* shall certify to the  
42 Commissioner of [Banking and] Insurance and the Commissioner  
43 of [Banking and] Insurance shall direct the Compensation Rating  
44 and Inspection to provide the necessary payments to the retirement  
45 system in accordance with procedures established by the [board]



46 *retirement system.* Such payments shall include (1) the contribu-  
47 tions and charges, similar to those paid by other public agency  
48 employers, to be paid by the Compensation Rating and Inspection  
49 Bureau to the retirement system on behalf of its employee members,  
50 and (2) the contributions to be paid by the Compensation Rating  
51 and Inspection Bureau to provide the past service credits up to  
52 June 30, 1965 for these members, both veterans and nonveterans,  
53 who enroll **[within 1 year after the effective date of this subsection]**  
54 *before July 1, 1966.*

1 34. Section 81 of P. L. 1954, c. 84 (C. 43:15A-81) is amended to  
2 read as follows :

3 81. The Public Employees' Retirement System shall certify to  
4 each employer the rates of contributions payable by members who  
5 are county, municipal or school district employees**[**, as if they were  
6 State employees**]**. The system shall further certify the contribu-  
7 tions, including the accrued liability contribution similar to the  
8 State accrued liability contribution, payable by the county, munici-  
9 pality or school district to the contingent reserve fund on behalf  
10 of these members, **[as if they were State employees,]** and a pro  
11 rata share of the cost of the administration of the retirement sys-  
12 tem, based upon the payroll of the members who are employees of  
13 the employees of the county, municipality or school district. The  
14 initial actuarial expense incident to the determination of the ac-  
15 crued liability contribution, payable by the county, municipality or  
16 school district, shall be paid by the county, municipality or school  
17 district. The amount certified by the system as payable by the  
18 county, municipality or school district to the contingent reserve  
19 fund shall be included in the next budget subsequent to the certifica-  
20 tion by the system and levied and collected as any other taxes are  
21 levied and collected. The treasurer or corresponding officer of any  
22 county, municipality or school district shall pay on or before July 1  
23 in each year to the State Treasurer the amount of the county, mu-  
24 nicipal or school district charges so certified. If payment of the full  
25 amount of such obligation is not made within 30 days after July 1,  
26 interest at the rate of **[4] 6%** per annum shall commence to run  
27 against the unpaid balance thereof on the first day after such  
28 thirtieth day. The treasurer or corresponding officer shall also pay  
29 to the State Treasurer the amount of deductions from the compen-  
30 sation of the members who are employees of the county, munic-  
31 ipality or school district **[in accordance with the rules and regula-**  
32 **tions established by the board of trustees]**. The State Treasurer  
33 shall credit these amounts to the appropriate fund or account.

1 35. Section 84 of P. L. 1954, c. 84 (C. 43:15A-84) is amended  
2 to read as follows:

3 84. This act shall be known and may be cited as the "Public  
4 Employees' **[Retirement-Social Security Integration]** *Retirement*  
5 *System Act.*"

1 36. Section 1 of P. L. 1955, c. 214 (C. 43:15A-88) is amended  
2 to read as follows:

3 1. The State Treasurer is hereby authorized and permitted to  
4 purchase from one or more life insurance companies, as determined  
5 by him, a policy or policies of group life insurance to provide for the  
6 benefits specified in sections 38, 41, 45, 46, **[and]** 48 *and* 49 of chap-  
7 ter 84 of the laws of 1954. The Board of Trustees of the Public  
8 Employees' Retirement System is hereby authorized and permitted  
9 to purchase from one or more life insurance companies, as  
10 determined by it, a policy or policies of group life insurance to  
11 provide for the benefits specified in section 57 of chapter 84 of  
12 the laws of 1954. *Such group life insurance coverage may be*  
13 *provided under one or more policies issued to the State Treasurer*  
14 *specifically for this purpose, or in the discretion of the State*  
15 *Treasurer, under one or more policies issued to the State Treasurer*  
16 *which provide group life insurance coverage for members of one*  
17 *or more other retirement systems of the State of New Jersey.*  
18 Whenever such policy or policies of group insurance shall be in  
19 effect, the benefits payable thereunder shall be in lieu of the above  
20 mention death benefits provided by said sections.

1 37. Section 7 of P. L. 1955, c. 214 (C. 43:15A-94) is amended  
2 to read as follows:

3 7. Benefits under such group policy or policies shall be paid by  
4 the company to such person, if living, as the member shall have  
5 nominated by written designation duly executed and filed with the  
6 insurance company through the policyholder, otherwise to the ex-  
7 ecutors or administrators of the member's estate**[**, except that if a  
8 member dies in active service as a result of accident and claim is  
9 made and allowed under section 49 of chapter 84 of the laws of 1954,  
10 the death benefit payable under the policy in such case, exclusive of  
11 any additional death benefit provided by section 57 of said chapter,  
12 shall, in lieu of being paid as aforesaid be paid to the State  
13 Treasurer**]**. A member may file with the insurance company  
14 through the policyholder and alter from time to time during his  
15 lifetime, as desired, a duly attested written nomination of his payee  
16 for the death benefit.

1 38. Section 8 of P. L. 1955, c. 214 (C. 43:15A-95) is amended  
2 to read as follows:

3 8. 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. A member may make such arrangements  
9 for settlement, and may alter from time to time during his lifetime  
10 any arrangement previously made, by making written request to  
11 the insurance company through the policyholder. Upon the death of  
12 a member, a beneficiary to whom a benefit is payable in one sum by  
13 the insurance company may likewise arrange for a settlement as  
14 described above. If a member's or beneficiary's request for settle-  
15 ment of any death benefit in equal [annual] installments over a  
16 period of years or as a life annuity pursuant to the foregoing is  
17 approved by the policyholder, the amount of such [annual] install-  
18 ments or *such* life annuity, as the case may be, shall be determined  
19 on the basis of such applicable mortality tables [and rates of in-  
20 terest] as shall have been adopted by the retirement system and are  
21 in effect at the member's death. Any arrangement for payment  
22 under the group policy to a beneficiary shall be in lieu of that  
23 provided by sections 38, 41, 45, 46, 48, 49 and 57 of chapter 84 of the  
24 laws of 1954.

1 39. Section 1 of P. L. 1955, c. 257 (C. 43:15A-97) is amended  
2 to read as follows:

3 1. "Law enforcement officer" shall mean any permanent and  
4 full-time employee of the State of New Jersey holding one of the  
5 following titles: [inspector, senior inspector, principal inspector,  
6 deputy chief inspector and chief inspector] *motor vehicles officer,*  
7 *motor vehicles sergeant, motor vehicles lieutenant, motor vehicles*  
8 *captain, assistant chief, bureau of enforcement, and chief, bureau of*  
9 *enforcement* in the Division of Motor Vehicles, and inspector, in-  
10 vestigator, and administrative inspector in the Division of Alcoholic  
11 Beverage Control, conservation officer, assistant district conserva-  
12 tion officer and district conservation officer in the Division of Fish  
13 and Game, and assistant chief marine police and senior marine  
14 patrolman in the Division of Resource Development, and inspector,  
15 officer, senior inspector, and principal inspector in the Division of  
16 Shell Fisheries, any permanent and full-time active county detective,  
17 lieutenant of county detectives, captain of county detectives, chief  
18 of county detectives, and county investigator in the office of the  
19 county prosecutors, and any patrolman or other police officer of the  
20 Board of Commissioners of the Palisades Interstate Park appointed

21 pursuant to section 32:14-21 of the Revised Statutes, provided,  
22 however, that no member of the Alcoholic Beverage Law Enforce-  
23 ment Officers' Pension Fund, nor any person employed in the Divi-  
24 sion of Alcoholic Beverage Control after February 1, 1955 whose  
25 position is covered by the provisions of c. 423, P. L. 1953 shall be  
26 eligible for membership in the Public Employees' Retirement Sys-  
27 tem until the conditions set forth in section 10 of this act have been  
28 complied with].

29 If the Prison Officers Pension Fund is terminated as provided in  
30 section 10 hereof, "law enforcement officer" shall also mean any  
31 permanent and full-time active employee of the State of New Jersey  
32 holding the title of correction officer, correction sergeant, correction  
33 lieutenant, correction captain or deputy keeper in the Division of  
34 Correction and Parole, or any member of the Prison Officers'  
35 Pension Fund on the date of such termination.

1 40. Section 4 of P. L. 1955, c. 257 (C. 43:15A-100) is amended  
2 to read as follows:

3 4. [Subject to the provisions of section 59 of the act to which this  
4 act is a supplement, upon] *Upon* service retirement as a law en-  
5 forcement officer a member shall receive a service retirement allow-  
6 ance consisting of:

7 a. An annuity which shall be the actuarial equivalent of his  
8 accumulated deductions together with regular interest [at the time  
9 of his retirement;] and

10 b. A pension *in the amount* which, when added to the *member's*  
11 annuity, will [produce] *provide a total* retirement allowance equal  
12 to 2% of his final compensation multiplied by his number of years  
13 of service credit as a law enforcement officer for which he has made  
14 contributions up to 25, plus 1 $\frac{2}{3}$ % of his final compensation multi-  
15 plied by his number of years of service credit other than service as  
16 a law enforcement officer, for which he has made contributions, plus  
17 1% of his final compensation multiplied by his number of years of  
18 service credit as a law enforcement officer for which he has made  
19 contributions over 25 or for which he has made no contributions to  
20 the retirement system for the period while he was a law enforcement  
21 officer or, in the case of a veteran, while he was in office, position or  
22 employment of this State, or of any county, municipality, *public*  
23 *agency* or school district; provided, however, that in the case of any  
24 member electing to receive benefits under section 38(b) of [the act  
25 to which this act is a supplement] *chapter 84 of the laws of 1954,*  
26 such benefits shall be payable at age 60.

27 The death benefit provided in section 48[(d)](c) of [the act to  
28 which this act is a supplement] chapter 84 of the laws of 1954 shall  
29 apply in the case of any member retiring under the provisions of  
30 this section.

1 41. Section 1 of P. L. 1955, c. 261 (C. 43:15A-108) is amended to  
2 read as follows:

3 1. a. For the purpose of [section] sections 41 (c), 49 (e) and  
4 section 57 of chapter 84 of the public laws of 1954, a member of  
5 the Public Employees' Retirement System shall be deemed to be  
6 [in service] *an active member (1) while he is disabled due to sick-*  
7 *ness or injury arising out of or in the course of his employment as*  
8 *a member to whom this chapter applies, is not engaged in any*  
9 *gainful occupation, and is receiving or entitled to receive periodic*  
10 *benefits (including any commutation of, or substitute for, such*  
11 *benefits) for loss of time on account of such disability under or by*  
12 *reason of workmen's compensation law, occupational disease law*  
13 *or similar legislation and has not retired or terminated his mem-*  
14 *bership; or (2) for a period of no more than 2 years while on official*  
15 *leave of absence without pay[; provided that] if satisfactory*  
16 *evidence is presented to the [board] retirement system that such*  
17 *leave of absence without pay is due to the member's personal illness*  
18 *other than an illness to which (1) above applies.*

19 b. For the purposes of [section] sections 41 (c), 49 (e) and section  
20 57 of chapter 84 of the public laws of 1954, a member of the Public  
21 Employees' Retirement System shall be deemed to be [in service]  
22 *an active member for a period of not more than 1 year in the event*  
23 *of an official leave (1) due to the member's maternity or (2) to*  
24 *fulfill a residency requirement for an advanced degree, or (3) as*  
25 *a full time student at an institution of higher education and for a*  
26 *period of no more than 93 days while on official leave of absence*  
27 *without pay when such leave of absence is due to any reason other*  
28 *than illness.*

29 c. In order for a member of the Public Employees' Retirement  
30 System to be covered hereunder for the optional death benefits  
31 provided by section 57 of chapter 84 of the public laws of 1954,  
32 he shall continue to make contributions for same during the period  
33 such member is on official leave of absence without pay, except  
34 that when such official leave of absence without pay is due to illness,  
35 no contribution shall be required of the member during the period  
36 he is deemed to be [in service] *an active member* while on such  
37 leave of absence.

38 *If a member dies within 30 days after the date of retirement or*  
39 *the date of board approval, whichever is later, a death benefit shall*

40 *be payable only if he is deemed to be an active member in accord-*  
 41 *ance with this section; provided, however, a member applying for*  
 42 *disability benefits shall be deemed an active member if he was*  
 43 *covered by the death benefit provisions of the act at the termina-*  
 44 *tion of employment, filed the application for disability retirement*  
 45 *with the retirement system within 30 days following such termina-*  
 46 *tion of employment and dies within 30 days after the date of re-*  
 47 *irement or the date of board approval, whichever is later.*

1 42. Section 2 of P. L. 1963, c. 19 (C. 43:15A-73.1) is amended to  
 2 read as follows:

3 2. **[Each]** *A member may file a detailed statement of public*  
 4 *employment in other States, rendered by him prior to becoming*  
 5 *a member, for which he desires credit and on account of which he*  
 6 *desires to contribute, and of such other facts as the retirement*  
 7 *system may require. He may be permitted to purchase credit for*  
 8 *the service evidenced therein up to the nearest number of years*  
 9 *and months, but not exceeding 10 years. No application shall be*  
 10 *accepted for the purchase of credit for such service, however, if,*  
 11 *at the time of application, the member has a vested right to retire-*  
 12 *ment benefits in another retirement system based in whole or in*  
 13 *part upon that service.*

14 The member may **[obtain]** *purchase credit for such service by*  
 15 **[making payments on the basis of tables furnished by the actuary**  
 16 **either in a lump sum or in installments in accordance with the rules**  
 17 **of the board of trustees governing such purchases]** *paying into the*  
 18 *annuity savings fund the amount required by applying the factor,*  
 19 *supplied by the actuary, as being applicable to his age at the time*  
 20 *of the purchase to his salary at that time. Such purchase may be*  
 21 *made in regular installments equal to at least 1/2 of the full normal*  
 22 *contribution to the retirement system, over a maximum period of*  
 23 *10 years.*

24 Any member electing to contribute toward such service, who  
 25 retires prior to completing payments as agreed with the retirement  
 26 system for the purchase of such service will receive pro rata credit  
 27 for service purchased prior to the date of retirement, **[subject to**  
 28 **the provisions of section 59 of this act,]** but if he so elects at the  
 29 time of retirement, he may make such additional lump sum pay-  
 30 ment at that time as will be necessary to provide full credit.

1 43. Section 28 of P. L. 1954, c. 84 (C. 43:15A-28) is amended to  
 2 read as follows:

3 28. The special reserve fund shall be the fund to which **[all profits**  
 4 **on the sale of securities and]** any earnings in excess of the amounts  
 5 annually allowed under the provisions of section 33 of this act shall

6 be transferred. No additional amounts shall be credited to the  
7 special reserve fund at any time when the total accumulations in  
8 such fund shall equal 1% of the book value of the investments of  
9 the retirement system. In this event, any such excess shall be  
10 credited to the contingent reserve fund. All losses from the sale  
11 of securities shall be charged against the special reserve fund. *The*  
12 *special reserve fund shall be considered for valuation purposes by*  
13 *the actuary as an asset of the retirement system.*

1 44. Section 25 of P. L. 1966, c. 217 (C. 43:15A-57.1) is amended  
2 to read as follows:

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

12 If more than one beneficiary is nominated and in such nomination  
13 the member or retirant has failed to specify their respective in-  
14 terests, the beneficiaries shall share equally. If any beneficiary  
15 predeceases the member or retirant, the interest of such beneficiary  
16 shall terminate and shall be shared equally by such of the bene-  
17 ficiaries as survive the member or retirant, unless the member or  
18 retirant has made written request to the contrary in his beneficiary  
19 nomination.

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

23 Except with regard to the payment of the member's accumulated  
24 deductions with regular interest and the payment, upon the death  
25 of (1) a retirant after attaining the age of 60 or receiving an al-  
26 lowance pursuant to section 41 (b) of chapter 84 of the laws of 1954,  
27 or (2) a member after attaining the age of 70 years, of the death  
28 benefits provided in sections 38, 41, 45, 56, 48, 49 (e) and 57 of [the  
29 act to which this section is a supplement] chapter 84 of the laws  
30 of 1954, a member may elect, by making written request to the  
31 retirement system, that the whole or any part of his death benefits  
32 be made payable [in accordance with rules and regulations of the  
33 board of trustees] to his beneficiary either as a life annuity or in  
34 equal [annual] installments over a period of years specified in  
35 such election, and may alter such election from time to time during

36 his lifetime by again making such written request. In the event  
37 of a change of beneficiary, any previous arrangement by the mem-  
38 ber or retirant under this paragraph shall be void. The election  
39 set forth in this paragraph shall not apply or be available when  
40 the beneficiary is an estate, or a corporation, partnership, associa-  
41 tion, institution, trustee, or any fiduciary.

42 If, at the member's or retirant's death, an amount of death bene-  
43 fit would be payable to the beneficiary in a single sum, any election  
44 with regard to such amount which was available to the member  
45 or retirant immediately prior to his death in accordance with the  
46 provisions of the immediately preceding paragraph shall then be  
47 available to such beneficiary for the benefit of such beneficiary.

48 **【The provisions of this section shall be construed separately**  
49 **with respect to each of the death benefits for which a beneficiary**  
50 **is designated by the member or retirant.】**

1 45. Section 27 of P. L. 1966, c. 217 (C. 43:15A-57.2) is amended  
2 to read as follows:

3 27. If a former member of the State Employees' Retirement  
4 System or the retirement system, who has been granted a retire-  
5 ment allowance for any cause other than disability, becomes em-  
6 ployed again in a position which makes him eligible to be a member  
7 of the retirement system, **【the pension portion of】** his retirement  
8 allowance**【,** together with any optional selection pursuant to sec-  
9 tion 50 of the act to which this section is a supplement**】** and the  
10 right to any death benefit as a result of his former membership,  
11 shall be **【suspended】** *canceled* until he again retires.

12 Such person shall be reenrolled in the retirement system and  
13 shall contribute thereto at a rate based on his age at the time of  
14 reenrollment. Such person shall be treated as an active member  
15 for determining disability or death benefits while in service and  
16 no benefits pursuant to an optional selection with respect to his  
17 former membership shall be paid if his death shall occur during  
18 the period of such reenrollment.

19 Upon subsequent retirement of such member, **【the pension por-**  
20 **tion of】** his former retirement allowance shall**【,** subject to the  
21 provisions of section 59 of the act to which this section is a sup-  
22 plement**】, be reinstated together with any optional selection, 【pur-**  
23 **suant to section 50,】** based on his former membership. In addition,  
24 **【such member】** *he* shall receive an additional retirement allow-  
25 ance**【,** *based on his subsequent service as a member* computed in  
26 accordance with applicable provisions of **【the act to which this**  
27 **section is a supplement including the reduction provided by sec-**  
28 **tion 59 and the optional privileges of section 50】** *chapter 84 of the*



29 *laws of 1954*; provided, however, that his total retirement allow-  
30 ance upon such subsequent retirement shall not be a greater pro-  
31 portion of his final compensation than the proportion to which he  
32 would have been entitled had he remained in service during the  
33 period of his prior retirement. Any death benefit to which such  
34 member shall be eligible shall be based on his latest retirement,  
35 but shall not be less than the death benefit that was applicable to  
36 his former retirement.

1 46. Section 28 of P. L. 1966, c. 217 (C. 43:15A-25.1) is amended  
2 to read as follows:

3 28 a. If any member of the retirement system receives periodic  
4 benefits payable under the Workmen's Compensation Law during  
5 the course of his active service, in lieu of his normal compensation,  
6 his regular salary deductions shall be paid to the retirement sys-  
7 tem by his employer. Such payments shall be computed, *in ac-*  
8 *cordance with section 25 of chapter 84 of the laws of 1954*, at the  
9 **[full]** rate of contribution on the base salary subject to the retire-  
10 ment system, just prior to the receipt of the workmen's compen-  
11 sation benefits. The moneys paid by the employer shall be credited  
12 to the member's account in the annuity savings fund and shall be  
13 treated a smployee contributions for all purposes. The employer  
14 will terminate the payment of these moneys when the periodic  
15 benefits payable under the Workmen's Compensation Law are  
16 terminated *or when the member retires*.

17 The member for whom the employer is making such payments,  
18 will be considered as if he were in the active service and shall be  
19 permitted to continue to make contributions to purchase the ad-  
20 ditional death benefit coverage provided by section 57 of **[the act**  
21 **to which this section is a supplement]** *chapter 84 of the laws of*  
22 *1954*.

23 b. **[No]** *An application for retirement benefits may be approved*  
24 *by the board of trustees while the member, applying for such bene-*  
25 *fits, is in receipt of periodic benefits under the Workmen's Com-*  
26 *ensation Law. In this event the actuarial equivalent of such peri-*  
27 *odic benefits remaining to be paid shall be computed and will serve*  
28 *to reduce the pension portion of the retirement allowance payable*  
29 *to the retirant, subject to the provisions of section 64 of chapter*  
30 *84 of the laws of 1954*.

1 47. a. Any person entitled to become a member of the Public Em-  
2 ployees' Retirement System shall not be allowed any of the death  
3 benefits established by sections 38, 41, 45, 46, 48 and 49 e, of chapter  
4 84 of the laws of 1954, and by this act, if on the date he files an ap-  
5 plication for membership he is 60 or more years of age or if he

6 makes application for membership beyond the year after he first  
7 became eligible for membership, regardless of age, unless the mem-  
8 ber furnishes satisfactory evidence of insurability and on the  
9 effective date of his membership is actively at work and performing  
10 all his regular duties at his customary place of employment.

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

14 b. Such evidence of insurability will not be required of any per-  
15 son becoming a member of the Public Employees' Retirement Sys-  
16 tem upon transfer from another State administered retirement  
17 system, if such system provided death benefits of a similar nature  
18 and the transferring member was covered by such benefits at the  
19 time of transfer. If such transferring member was not covered by  
20 such benefits at the time of the transfer, he may be allowed the death  
21 benefits of the Public Employees' Retirement System subject to the  
22 provisions of subsection a. of this section; provided, however, that  
23 any such member must furnish satisfactory evidence of insurability  
24 under the provisions of subsection a. of this section if he had been  
25 unable or failed to give such evidence as a member of the system  
26 from which he transferred.

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

1 48. a. In the case of any person who was required to become a  
2 member of the retirement system as a condition of employment,  
3 and whose application for enrollment in the retirement system or  
4 whose application for transfer from one employer to another within  
5 the system was filed beyond the effective date for his compulsory  
6 enrollment in the system or his transfer within the system, such per-  
7 son shall be required to purchase membership credit for his compul-  
8 sory coverage by paying into the annuity savings fund the amount  
9 required by applying, in accordance with section 25 of chapter 84  
10 of the laws of 1954, his rate of contribution on his current base  
11 salary subject to the retirement system for each year of previous  
12 service during which he was required to have been a member.

13 b. If more than 1 year has elapsed from the time that contribu-  
14 tions would have been required from such person,  $\frac{1}{2}$  of the em-  
15 ployee's cost, established by the computation provided by sub-  
16 section a. of this section, will be required of his employer and shall  
17 be included in the next budget subsequent to the certification of this

18 special liability by the retirement system. The amount certified by  
19 the system shall be payable by the employer to the contingent re-  
20 serve fund and shall be due and owing to the system even if the  
21 employee is no longer in the employ of the employer by the date  
22 such moneys are to be paid to the system.

23 c. The employees' obligation may be satisfied by regular install-  
24 ments, equal to at least  $\frac{1}{2}$  the normal contribution to the retirement  
25 system, over a maximum period of 10 years but not more than 2  
26 years in the case of any employee who has attained or will attain  
27 age 60 within the 2-year period.

28 d. In the case of any person coming under the provisions of this  
29 section, full pension credit for the period of employment for which  
30 arrears are being paid by the employee shall be given upon the  
31 payment of at least  $\frac{1}{2}$  of the total employee's arrearage obligation  
32 and the completion of 1 year of membership and the making of such  
33 arrears payments, except that in the case of retirement pursuant  
34 to sections 38, 41 (b), 48 and 61 of chapter 84 of the laws of 1954,  
35 the total membership credit for such service shall be in direct pro-  
36 portion as the amount paid bears to the total amount of the  
37 arrearage obligation of the employee.

1 49. The accrued liability contribution of any public employer  
2 adopting the retirement system after July 1, 1971 for the purpose of  
3 providing prior service credit for the service rendered prior to  
4 July 1, 1966, shall be payable by the employer to the contingent  
5 reserve fund over a period of not less than 25 years following the  
6 initial valuation of such liability by the actuary of the retirement  
7 system.

1 50. a. As stipulated in subsections b., c. and d. of this section,  
2 eligibility of a member of the Judiciary for the retirement benefits  
3 of the retirement system shall not be terminated on account of his  
4 being appointed to the Supreme, Superior or County Courts of  
5 New Jersey until such judge shall become eligible for the benefits  
6 of the pension plan established for such members of the Judiciary,  
7 but in no event shall any judge, his dependent or his beneficiary be  
8 eligible to receive both the benefits of the retirement system estab-  
9 lished by chapter 84 of the laws of 1954 and those provided by the  
10 pension plan established for such members of the Judiciary.

11 b. Any such judge, shall, upon his request, receive a refund of his  
12 accumulated deductions as of the date of his appointment to the  
13 Supreme, Superior or County Courts. Such refund of contributions  
14 shall serve as a waiver of all benefits payable to the judge, his  
15 dependent or his beneficiary by the retirement system.

16 c. If any such judge shall be eligible for retirement benefits as  
 17 of the date of his appointment to the Supreme, Superior or County  
 18 Courts, he may elect to receive the annuity portion of his retire-  
 19 ment allowance while serving as such judge, provided, however,  
 20 that if any such judge shall subsequently elect to receive the benefits  
 21 of the pension plan established for members of the Supreme,  
 22 Superior or County Courts, all rights to retirement and death  
 23 benefits of the retirement system shall thereby be waived, except  
 24 as hereinafter provided by subsection d. of this section.

25 d. If any such judge elects to receive the benefits of the pension  
 26 plan established for members of the Supreme, Superior or County  
 27 Courts after having received retirement benefits from the retire-  
 28 ment system, such judge shall be entitled to receive the value of  
 29 his accumulated deductions reduced by the total amount of the  
 30 benefits received from the system.

31 If any such judge dies in service after his appointment to the  
 32 Supreme, Superior or County Courts and after having received  
 33 retirement benefits from the retirement system, his beneficiary may  
 34 elect to receive the survivor benefits available upon the death of  
 35 such retired member or the death benefits provided by the pension  
 36 plan established for members of the Supreme, Superior or County  
 37 Courts. In the event of the election of the latter, such election shall  
 38 constitute a waiver of all rights to survivor benefits payable by the  
 39 Public Employees' Retirement System and his beneficiary shall be  
 40 entitled to receive the value of the judge's accumulated deductions  
 41 reduced by the amount of the benefits received by the judge from  
 42 the system.

1 51. P. L. 1954, c. 84 s. 40 (C. 43:15A-40) and P. L. 1968, c. 146  
 2 (C. 43:15A-9.1) are hereby repealed.

1 52. This act shall take effect immediately.

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#### STATEMENT

This legislation makes many changes in the sections of the act governing the Public Employees' 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. Benefits to be calculated on the basis of a 3-year average of salaries rather than on a 5-year average.

b. After 25 years of service a member on "early" retirement incurs a reduction of 6% a year for each year he lacks of attaining

age 60; this would be reduced to 3% a year.

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

d. Accidental death benefits will now provide specific survivor pensions, including payments to parents where other survivors are not eligible; these will now include the payment of the noncontributory as well as the contributory death benefits.

The other liberalizations and administrative changes are:

e. 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 or on maternity leave will be covered under the noncontributory death benefit coverage.

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

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

h. Requires the employer to pay  $\frac{1}{2}$  of the employee's cost where more than 1 year has elapsed from the employee's compulsory enrollment in the system.

i. Makes the membership of the board of trustees identical to that of the Teachers' Pension and Annuity Fund; permits the State Treasurer to designate the medical board.

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

k. 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 AMENDMENT TO  
**SENATE, No. 2203**

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**STATE OF NEW JERSEY**

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ADOPTED MAY 6, 1971

Amend pages 28 and 29, section 29, lines 15 to 18, after "ment", insert a period, and delete the remainder in its entirety.

CHAPTER.....213.....LAWS OF N. J. 1971  
APPROVED.....6-17-71

[OFFICIAL COPY REPRINT]

SENATE, No. 2203

# STATE OF NEW JERSEY

INTRODUCED APRIL 5, 1971

By Senators BATEMAN, SEARS, BEADLESTON, CRABIEL,  
MATTURRI, SCIRO, DUMONT, GIULIANO, WALLWORK,  
HAGEDORN, SCHOEM, KNOWLTON, RINALDO, HIERING,  
SCHIAFFO, DELTUFO, STOUT, LYNCH, TANZMAN,  
HAUSER, GUARINI, W. F. KELLY, RIDOLFI, MUSTO and  
ITALIANO

(Without Reference)

AN ACT to amend the short title of the "Public Employees' Retirement-Social Security Integration Act," approved June 28, 1954 (P. L. 1954, c. 84), so that the same shall read the "Public Employees' Retirement System Act," and revising said act and certain acts supplemental thereto.

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

1 1. Section 6 of P. L. 1954, c. 84 (C. 43:15A-6) is amended to read  
2 to read as follows:

3 6. As used in this act:

4 a. "Accumulated deductions" means the sum of all the amounts,  
5 deducted from the compensation of a member or contributed by him  
6 *or on his behalf*, standing to the credit of his individual account in  
7 the annuity savings fund.

8 b. "Annuity" means payments for life derived from **[contribu-**  
9 **tions made by]** *the accumulated deductions of a member as pro-*  
10 *vided in this act.*

11 c. "Annuity reserve" means the present value of all payments  
12 to be made on account of any annuity or benefit in lieu of an annuity,  
13 granted under the provisions of this act, computed on the basis of  
14 such mortality tables *recommended by the actuary* as the board of  
15 trustees adopts, with regular interest.

16 d. "Beneficiary" means any person receiving a retirement  
17 allowance or other benefit as provided in this act.

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

18 e. "Child" means a deceased member's unmarried child either  
 19 (1) under the age of 18 or (2) of any age who, at the time of the  
 20 member's death, is disabled because of mental retardation or  
 21 physical incapacity, is unable to do any substantial, gainful work  
 22 because of the impairment and his impairment has lasted or can be  
 23 expected to last for a continuous period of not less than 12 months,  
 24 as affirmed by the medical board.

25 f. "Parent" shall mean the parent of a member who was receiv-  
 26 ing at least 1/2 of his support from the member in the 12-month  
 27 period immediately preceding the member's death or the accident  
 28 which was the direct cause of the member's death. The dependency  
 29 of such a parent will be considered terminated by marriage of the  
 30 parent subsequent to the death of the member.

31 g. "Widower" means the man to whom a member was married  
 32 at least 5 years before the date of her death and to whom she con-  
 33 tinued to be married until the date of her death and who was receiv-  
 34 ing at least 1/2 of his support from the member in the 12-month  
 35 period immediately preceding the member's death or the accident  
 36 which was the direct cause of the member's death. The dependency  
 37 of such a widower will be considered terminated by marriage of the  
 38 widower subsequent to the death of the member. In the event of the  
 39 payment of an accidental death benefit, the 5-year qualification shall  
 40 be waived.

41 [e.] h. "Final compensation" means the average annual com-  
 42 pensation for which contributions are made for the [5] 3 years of  
 43 creditable service in New Jersey immediately preceding his retire-  
 44 ment or death, or it shall mean the average annual compensation  
 45 for New Jersey service for which contributions are made during  
 46 any [5] 3 fiscal years of his or her membership providing the  
 47 largest possible benefit to the member or his beneficiary.

48 [f.] i. "Fiscal year" means any year commencing with July 1  
 49 and ending with June 30 next following.

50 j. "Medical board" shall mean the board of physicians provided  
 51 for in section 17 (C. 43:15A-17).

52 [g.] k. "Pension" means payments for life derived from appro-  
 53 priations made by the employer as [formerly] provided in  
 54 [chapters 14 and 15 of Title 43 of the Revised Statutes, or in] this  
 55 act.

56 [h.] l. "Pension reserve" means the present value of all pay-  
 57 ments to be made on account of any pension or benefit in lieu of a  
 58 pension [formerly] granted under the provisions of [chapters 14  
 59 and 15 of Title 43 of the Revised Statutes, or as provided in] this'



60 act, computed on the basis of such mortality tables *recommended by*  
61 *the actuary* as the board of trustees adopts, with regular interest.

62 [i.] m. "Public Employees' Retirement System of New Jersey,"  
63 hereinafter referred to as the "retirement system," is the corporate  
64 name of the arrangement for the payment of retirement allowances  
65 and other benefits under the provisions of this act [and for the  
66 system] including the several funds [created and] placed under  
67 [the board of trustees of] said system. By that name all of its  
68 business shall be transacted, its funds invested, warrants for money  
69 drawn, and payments made and all of its cash and securities and  
70 other property held.

71 [j.] n. "Regular interest" shall mean interest as determined  
72 annually by the State Treasurer after consultation with the  
73 Directors of the Divisions of Investment and Pensions and the  
74 actuary of the system. It shall bear a reasonable relationship to  
75 the percentage rate of earnings on investments but shall not exceed  
76 105% of such percentage rate.

77 [k.] o. "Retirement allowance" means the pension plus the  
78 annuity.

79 [l.] p. "Veteran" means any honorably discharged officer,  
80 soldier, sailor, airman, marine or nurse who served in any Army,  
81 Air Force or Navy of the Allies of the United States in World War  
82 I, between July 14, 1914, and November 11, 1918, or who served in  
83 any Army, Air Force or Navy of the Allies of the United States in  
84 World War II, between September 1, 1939, and September 2, 1945,  
85 and who was inducted into such service through voluntary enlist-  
86 ment, and was a citizen of the United States at the time of such  
87 enlistment, and who did not, during or by reason of such service,  
88 renounce or lose his United States citizenship, and any officer,  
89 soldier, sailor, marine, airman, nurse or army field clerk, who has  
90 served in the active military or naval service of the United States  
91 and has or shall be discharged or released therefrom under condi-  
92 tions other than dishonorable, in any of the following wars, upris-  
93 ings, insurrections, expeditions, or emergencies, and who has pre-  
94 sented to the [board of trustees] *retirement system* evidence of  
95 such record of service in form and content satisfactory to said  
96 [board of trustees] *retirement system*:

97 (1) The Indian wars and uprisings during any of the periods  
98 recognized by the War Department of the United States as periods  
99 of active hostility;

100 (2) The Spanish-American War between April 20, 1898, and  
101 April 11, 1899;

102 (3) The Philippine insurrections and expeditions during the  
103 periods recognized by the War Department of the United States  
104 as of active hostility from February 4, 1899, to the end of 1913;

105 (4) The Peking relief expedition between June 20, 1900, and May  
106 27, 1902;

107 (5) The army of Cuban occupation between July 18, 1898, and  
108 May 20, 1902;

109 (6) The army of Cuban pacification between October 6, 1906, and  
110 April 1, 1909;

111 (7) The Mexican punitive expedition between March 14, 1916,  
112 and February 7, 1917;

113 (8) The Mexican border patrol, having actually participated in  
114 engagements against Mexicans between April 12, 1911, and June  
115 16, 1919;

116 (9) World War I, between April 6, 1917, and November 11, 1918;

117 (10) World War II, between September 16, 1940, and September  
118 2, 1945, who shall have served at least 90 days in such active service,  
119 exclusive of any period he was assigned (1) for a course of educa-  
120 tion or training under the Army specialized training program or  
121 the Navy college training program which course was a continuation  
122 of his civilian course and was pursued to completion, or (2) as a  
123 cadet or midshipman at one of the service academies any part of  
124 which 90 days was served between said dates; provided, that any  
125 person receiving an actual service incurred injury or disability shall  
126 be classed as a veteran whether or not he has completed the 90-day  
127 service as herein provided.

128 (11) Korean conflict after June 23, 1950, and prior to July 27,  
129 1953, who shall have served at least 90 days in such active service,  
130 exclusive of any period he was assigned (1) for a course of educa-  
131 tion or training under the Army specialized training program or the  
132 Navy college training program which course was a continuation of  
133 his civilian course and was pursued to completion, or (2) as a cadet  
134 or midshipman at one of the service academies, any part of which  
135 90 days was served between said dates; provided, that any person  
136 receiving an actual service incurred injury or disability shall be  
137 classed as a veteran whether or not he has completed the 90-day  
138 service as herein provided; and provided further, that any member  
139 classed as a veteran pursuant to this subparagraph prior to [the  
140 effective date of this amendatory act] *August 1, 1966*, shall continue  
141 to be classed as a veteran whether or not be completed the 90-day  
142 service between said dates as herein provided.

143 (12) Viet Nam conflict after December 31, 1960, and prior to the

144 date of termination as proclaimed by the Governor, who shall have  
 145 served at least [180] 90 days in such active service on overseas  
 146 duty, exclusive of any period he was assigned (1) for a course of  
 147 education or training under the Army specialized training program  
 148 or the Navy college training program which course was a continua-  
 149 tion of his civilian course and was pursued to completion, or (2) as  
 150 a cadet or midshipman at one of the service academies, any part of  
 151 which [180] 90 days was served between said dates; and exclusive  
 152 of any service performed pursuant to the provisions of section  
 153 511(d) of Title 10, United States Code, pursuant to an enlistment  
 154 in the Army National Guard or as a reserve for service in the Army  
 155 Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve,  
 156 or Coast Guard Reserve; *provided, that any person receiving an*  
 157 *actual service-incurred injury or disability shall be classed as a*  
 158 *veteran whether or not he has completed the 90 days service as*  
 159 *herein provided.*

160 q. "*Widow*" means the woman to whom a member was married  
 161 at least 5 years before the date of his death and to whom he con-  
 162 tinued to be married until the date of his death and who was receiv-  
 163 ing at least 1/2 of her support from the member in the 12-month  
 164 period immediately preceding the member's death or the accident  
 165 which was the direct cause of the member's death. The dependency  
 166 of such a widow will be considered terminated by the marriage of  
 167 the widow subsequent to the member's death. In the event of the  
 168 payment of an accidental death benefit, the 5-year qualification  
 169 shall be waived.

170 r. "*Compensation*" means the base or contractual salary, for  
 171 services as an employee, which is in accordance with established  
 172 salary policies of the member's employer for all employees in the  
 173 same position but shall not include individual salary adjustments  
 174 which are granted primarily in anticipation of the member's retire-  
 175 ment or additional remuneration for performing temporary or  
 176 extracurricular duties beyond the regular work day or the regular  
 177 work year. In cases where salary includes maintenance, the retire-  
 178 ment system shall fix the value of that part of the salary not paid in  
 179 money which shall be considered under this act.

1 2. Section 10 of P. L. 1954, c. 84 (C. 43:15A-10) is amended to  
 2 read as follows:

3 10. Any [State] employee, *eligible for membership*, who had  
 4 entered or shall hereafter enter into the active air, military or  
 5 naval service of the United States before making application for  
 6 enrollment in the retirement system shall be accepted as a member

7 upon his filing application, provided such application is made  
 8 within 3 months after entry into such active air, military or naval  
 9 service, and his regular salary deduction as [determined by the  
 10 board of trustees] *provided by section 25 (C. 43:15A-25)* shall be  
 11 paid to the retirement system by the [employing department]  
 12 employer as provided by chapter 252 of the laws of 1942, as  
 13 amended by chapter 326 of the laws of 1942 (C. 38:23-5, 38:23-6).  
 14 [This provision shall not apply to any employee whose appoint-  
 15 ment is temporary or seasonal.]

1 3. Section 11 of P. L. 1954, c. 84 (C. 43:15A-11) is amended to  
 2 read as follows:

3 11. Any person employed temporarily by [the State] *an em-*  
 4 *ployer* and whose temporary employment resulted, *without inter-*  
 5 *ruption*, in permanent employment shall be permitted to make  
 6 contributions covering [this temporary] *such service on the basis*  
 7 *of rates as provided by* [in accordance with the rules and regula-  
 8 tions of the board of trustees] *section 25 (C. 43:15A-25)* and  
 9 receive the same [annuity and pension credits] *credit* as if he had  
 10 been a member during [his temporary] *such service. The member*  
 11 *must agree to make such contributions within 1 year after the effec-*  
 12 *tive date of this act or during his first year of membership in the*  
 13 *retirement system.*

1 4. Section 14 of P. L. 1954, c. 84 (C. 43:15A-14) is amended to  
 2 read as follows:

3 14. A person who has been *or is* a member of the Teachers'  
 4 [Retirement] *Pension and Annuity Fund* and who has taken or  
 5 shall take office, position or employment *in any position covered by*  
 6 *the Public Employees' Retirement System* [in the State service in  
 7 any capacity] and is a member of [the Public Employees' Retire-  
 8 ment System] *said system* shall be entitled, upon application  
 9 [therefor], to [prior] service [credit for the length of his mem-  
 10 bership] *credited* in such fund in the Public Employees' Retire-  
 11 ment System [or who shall become a member of the Teachers'  
 12 Pension and Annuity Fund, and who has taken or shall take office,  
 13 position or employment in the State service in any capacity, shall  
 14 be entitled, upon application therefor, to membership in the retire-  
 15 ment system,] upon [transferring] *transfer* of his [interests]  
 16 *contributions* from the Teachers' Pension and Annuity Fund to the  
 17 retirement system. If he has withdrawn his [interests] *contribu-*  
 18 *tions* from the Teachers' Pension and Annuity Fund, he [shall be  
 19 entitled to membership in the retirement system upon paying into  
 20 the latter fund such sum as shall be required by the trustees there-

21 for for that purpose] may purchase credit for all of his service in  
 22 the aforesaid fund by paying into the annuity savings fund the  
 23 amount required by applying the factor, supplied by the actuary, as  
 24 being applicable to his age at the time of the purchase, to his salary  
 25 at that time. The terms of the purchase and the credit granted shall  
 26 be identical to those stipulated for the purchase of previous mem-  
 27 bership service by members of the system as provided by section 8  
 28 (C. 43:15A-8). [For the purpose of carrying out the provisions  
 29 of this section, the board of trustees may make all necessary rules  
 30 and regulations.]

1 5. Section 15 of P. L. 1954, c. 84 (C. 43:15A-15) is amended to  
 2 read as follows:

3 15. The head of a department or branch of the State service not  
 4 included in a department employing a member shall submit to the  
 5 [board of trustees] retirement system a statement showing the  
 6 name, title, compensation, duties, date of birth and length of service  
 7 of the member and any other information the [board] system  
 8 requires.

1 6. Section 17 of P. L. 1954, c. 84 (C. 43:15A-17) is amended to  
 2 read as follows:

3 17. Subject to the provisions of chapter 70 of the laws of 1955,  
 4 the general responsibility for the proper operation of the Public  
 5 Employees' Retirement System [and for making effective the pro-  
 6 visions of this act] shall be vested in the board of trustees. Subject  
 7 to the limitations of the law, the board shall[, from time to time,]  
 8 annually establish rules and regulations for the administration and  
 9 transaction of its business and for the control of the funds created  
 10 by this subtitle [and shall perform any other functions required for  
 11 the execution of this act]. Such rules and regulations shall be con-  
 12 sistent with those adopted by the other pension funds within the  
 13 Division of Pensions in order to permit the most economical and  
 14 uniform administration of all such retirement systems.

15 The membership of the board shall consist of the following:

16 a. Two trustees appointed by the Governor, who shall serve at the  
 17 pleasure of the Governor and until their successors are appointed,  
 18 who shall be private citizens of the State of New Jersey and who  
 19 are neither an officer thereof nor active or retired members of the  
 20 system.

21 b. The State Treasurer or the Deputy State Treasurer, when  
 22 designated for that purpose by the State Treasurer.

23 c. Three trustees elected for a term of 3 years from among and  
 24 by the [member employees of the State in a manner prescribed by

25 the board of trustees] *active members of the retirement system or*  
26 *by the delegates elected for this purpose by the membership, one of*  
27 *whom shall be elected each year for a term commencing on April 1,*  
28 *following such election in such manner as the board of trustees may*  
29 *prescribe.*

30 d. One trustee [elected for a term of 3 years from among and by  
31 the member employees of counties and the same method of holding  
32 an election from time to time used for the State employees' repre-  
33 sentatives shall be followed in elections held for county  
34 representatives.

35 e. Two trustees elected for a term of 3 years from among and by  
36 the member employees of municipalities and the same method of  
37 holding an election from time to time used for the State employees'  
38 representatives shall be followed in elections held for municipal  
39 representatives; provided, however, at the first election for  
40 municipal representation, one trustee shall be elected to serve for a  
41 term of 2 years and the other trustee shall be elected to serve for a  
42 term of 3 years.] *not an active or retired member nor an officer of*  
43 *the State, elected by the other trustees, other than the State*  
44 *Treasurer, for a term of 3 years.*

45 A vacancy occurring [during a term] *in the board of trustees*  
46 shall be filled [for the unexpired term] by the appointment or elec-  
47 tion of a successor in the same manner as his predecessor.

48 Each member of the board shall, upon appointment or election,  
49 take an oath of office that, so far as it devolves upon him, he will  
50 diligently and honestly administer the board's affairs, and that he  
51 will not knowingly violate or willfully permit to be violated any  
52 provision of law applicable to this act. The oath shall be sub-  
53 scribed to by the member making it, certified by the officer before  
54 whom it is taken and filed immediately in the office of the Secretary  
55 of State.

56 Each trustee shall be entitled to one vote in the board and a  
57 majority of all the votes of the entire board shall be necessary for a  
58 decision by the *board of trustees* at a meeting of the board. The  
59 board shall keep a record of all its proceedings, which shall be open  
60 to public inspection.

61 The members of the board shall serve without compensation but  
62 shall be reimbursed for any necessary expenditures. No employee  
63 shall suffer loss of salary or wages through the serving on the  
64 board.

65 [For the purpose of organizing the Public Employees' Retire-  
66 ment System, the members of the board of trustees of the former

67 "State Employees' Retirement System," as of the effective date  
 68 of the repeal of that system, shall constitute the initial membership  
 69 of the board of trustees of the Public Employees' Retirement  
 70 System, for the remainder of the terms for which they were  
 71 appointed or elected as the case may be.]

72 *The terms of office of the members of the board of trustees on*  
 73 *the effective date of this amendatory and supplementary act shall*  
 74 *continue for the periods for which they were appointed or elected.*

75 The [board of trustees] *State Treasurer* shall designate a  
 76 medical board [to be] *after consultation with the director of the*  
 77 *Division of Pensions, subject to veto by the board of trustees for*  
 78 *valid reason. It shall be composed of three physicians [as the board*  
 79 *shall designate] who are not eligible to participate in the retirement*  
 80 *system. The medical board shall pass upon all medical examina-*  
 81 *tions required under the provisions of this act, shall investigate all*  
 82 *essential statements and certificates by or on behalf of a member in*  
 83 *connection with an application for disability retirement, and shall*  
 84 *report in writing to the [board of trustees] retirement system its*  
 85 *conclusions and recommendations upon all matters referred to it.*

1 7. Section 19 of P. L. 1954, c. 84 (C. 43:15A-19) is amended to  
 2 read as follows:

3 19. The actuary [appointed by the board] shall recommend, and  
 4 the [board] *Division of Pensions* shall keep in convenient form,  
 5 such data as shall be necessary for actuarial valuation of the  
 6 various funds created by this act. Once in every 5-year period,  
 7 [after the effective date of this section,] the actuary shall make  
 8 an actuarial investigation into the mortality, service, and com-  
 9 pensation or salary experience of the members and beneficiaries  
 10 as defined in this chapter and shall make a valuation of the assets  
 11 and liabilities of the various funds created by this act. Upon the  
 12 basis of such investigation and valuation, *with the advice of the*  
 13 *actuary*, the board shall:

14 a. Adopt for the retirement system such mortality, service and  
 15 other tables as shall be deemed necessary;

16 b. Certify the rates of deduction from compensation computed  
 17 to be necessary to pay the annuities authorized under the provisions  
 18 of this act; and,

19 c. Certify the rates of contribution, expressed as a proportion  
 20 of the compensation of members which shall be made by the State  
 21 *and other employers to the contingent reserve fund.*

1 8. Section 21 of P. L. 1954, c. 84 (C. 43:15A-21) is amended to  
 2 read as follows:

3 21. The [board] *retirement system* shall publish annually a  
 4 report showing a valuation of the assets and liabilities of the funds  
 5 created by this act, certifying as to the accumulated cash and  
 6 securities of the funds and stating [any] other facts[, recom-  
 7 mendations and data which may be of use in the advancement of  
 8 knowledge concerning employees' pensions and annuities] *pertain-*  
 9 *ing to the system.* The board shall submit the report to the Gov-  
 10 ernor and furnish a copy to [the officers of each State department]  
 11 *every employer* for use of the [employees] *members* and the public.

1 9. Section 24 of P. L. 1954, c. 84 (C. 43:15A-24) is amended to  
 2 read as follows:

3 24. The contingent reserve fund shall be the fund in which shall  
 4 be credited contributions made by the State *and other employers.*

5 a. Upon the basis of such tables *recommended by the actuary* as  
 6 the board adopts, and regular interest, the actuary [of the board]  
 7 shall compute annually the amount of contribution, expressed as a  
 8 proportion of the compensation paid to all [employees] *members,*  
 9 which, if paid monthly during the entire prospective service of the  
 10 [employees] *members,* will be sufficient to provide for the pension  
 11 reserves required at the time of discontinuance of active service, to  
 12 cover all pensions to which they may be entitled or which are  
 13 payable on their account and to provide for the amount of the  
 14 death *and accidental disability* benefits payable on their account  
 15 [by the State], *and* which amount [are] is not covered by [accrued  
 16 liability] *other* contributions, to be made as provided in [paragraph  
 17 b. hereof,] *this section* and the funds in hand available for such  
 18 benefits. *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 [of the board]  
 21 shall compute[, annually,] the amount of the *unfunded* liability  
 22 *as of June 30, 1971* which has accrued *on the basis of service*  
 23 *rendered prior to July 1, 1971 by all members, including the amount*  
 24 *of the liability accrued* by reason of allowance to be granted on  
 25 account of services rendered by State employee veteran members  
 26 as provided in section 60 of this act prior to the establishment of  
 27 the retirement system, which has not already been covered by State  
 28 contributions to the former "State Employees' Retirement  
 29 System," *and including the accrued liabilities established by section*  
 30 *12 of chapter 67 of the laws of 1966 (C. 43:15A-37.1).* Using the  
 31 total amount of this *unfunded accrued* liability [remaining as a  
 32 basis], he shall compute the amount of the flat annual payment,  
 33 which, if paid in each succeeding fiscal year commencing with July  
 34 1, [1956] 1972, for a period of [30] 40 years, will provide for this



35 liability. The annual payment so computed and certified shall  
 36 remain fixed except that such liability shall be valued annually  
 37 and any additional liability which has accrued by reason of allow-  
 38 ances to be granted on account of services rendered by State em-  
 39 ployee veteran members as provided in section 60 shall be added  
 40 to the amount previously certified so that the entire liability shall  
 41 be paid within the **[30-year]** 40-year period commencing July 1,  
 42 **[1956]** 1972. *This shall be known as the "accrued liability con-*  
 43 *tribution."*

44 **[c.** Any accumulated reserves in the contingent reserve fund of  
 45 the former "State Employees' Retirement System," which have  
 46 not been set aside in a trust fund designated as Fund B as provided  
 47 in section 5 of this act shall be transferred to the contingent reserve  
 48 fund of the retirement system.]

49 **[d.] c.** The **[board]** retirement system shall **[estimate and]**  
 50 certify annually the aggregate amount payable to the contingent  
 51 reserve fund in the ensuing year, which amount shall be equal to  
 52 the sum of the amounts **[proportion of the earnable compensation**  
 53 **of all members, computed as]** described in **[paragraph a. hereof**  
 54 **and of the State's accrued liability contribution, payable in the**  
 55 **ensuing fiscal year, as described in paragraph b. hereof]** *this*  
 56 *section.* The State shall pay into the contingent reserve fund during  
 57 the ensuing year the amount so determined. The **[cash]** death  
 58 benefits, payable as a result of contribution by the State under  
 59 the provisions of this chapter upon the death of **[a]** *an active or*  
 60 *retired member* **[in active service,]** shall be paid from the con-  
 61 tingent reserve fund.

62 **[e.** Any other provision of this act notwithstanding, no payment  
 63 shall be made by the State to the contingent reserve fund on behalf  
 64 of service of State employee veteran members until the fiscal year  
 65 commencing July 1, 1956. This shall not affect the payment of  
 66 benefits to, and on behalf of, State employee veteran members prior  
 67 to said date, and any such.]

68 *d.* The disbursements for benefits not covered by reserves in the  
 69 system on account of veterans shall be met by direct contributions  
 70 of the State *and other employers.*

1 10. Section 25 of P. L. 1954, c. 84 (C. 43:15A-25) is amended to  
 2 read as follows:

3 25. The annuity savings fund shall be the fund in which shall be  
 4 *credited accumulated deductions and contributions by* **[from the**  
 5 **compensation of]** *members or on their behalf* to provide for their  
 6 **[annuities and withdrawal]** allowances. A single account shall be  
 7 established in this fund for each person who is or shall become a

8 member and all contributions deducted from each such member's  
9 compensation shall be credited to his account regardless of the  
10 number of positions a member might hold or the number of em-  
11 ployers as he might have.

12 Upon the basis of such tables *recommended by the actuary* as the  
13 board adopts, and regular interest, the actuary of the board shall  
14 determine for each member the proportion of compensation, ex-  
15 clusive of the rate for any additional death benefit provided under  
16 section 57 of this act which, when deducted from each payment of  
17 his prospective earnable compensation prior to service retirement  
18 and accumulated at regular interest until he retires, shall be com-  
19 puted to be sufficient to provide, at that time, an annuity equal to  
20  $\frac{1}{2}$  of the retirement allowance then allowable for service as a  
21 member [after the establishment of the retirement system].

22 Any member who was contributing to the former "State Em-  
23 ployees' Retirement System" shall continue to pay the proportion  
24 of compensation applicable to the age at enrollment, which pro-  
25 portion shall not be increased during the continuation of member-  
26 ship other than as provided in section 58, and shall make any special  
27 payments either as lump sums or as installment payments required  
28 as a result of election by the member to obtain additional service  
29 credit. Members enrolling on and after January 2, 1955 shall  
30 contribute at the proportions applicable to group two members of  
31 the former "State Employees' Retirement System" as of June 30,  
32 1949, except that the board of trustees may from time to time adopt  
33 for employees becoming members thereafter, new proportions of  
34 compensation to be determined as provided in the preceding para-  
35 graph. No member shall be required during the continuation of  
36 his membership to increase the proportion of compensation certified  
37 at the time of becoming a member as payable by him other than as  
38 provided in section 58.

39 The [board of trustees] *retirement system* shall certify to each  
40 State department or subdivision thereof, and to each branch of the  
41 State service not included in a State department, and to every  
42 other employer, the proportion of each member's compensation to  
43 be deducted [in accordance with rules and regulations established  
44 by the board] and to facilitate the making of deductions the [board  
45 of trustees] *retirement system* may modify the deduction required  
46 by a member by such an amount as shall not exceed  $\frac{1}{10}$  of 1% of  
47 the compensation upon the basis of which the deduction is to be  
48 made.

49 *If payment in full, representing the monthly or biweekly trans-*

50 *mittal and report of salary deductions, is not made within 15 days*  
 51 *of the due date established by the retirement system, interest at*  
 52 *the rate of 6% per annum shall commence to run against the total*  
 53 *transmittal of salary deductions for the period on the first day*  
 54 *after such fifteenth day.*

55 Every employee to whom this act applies shall be deemed to  
 56 consent and agree to any deduction from his compensation required  
 57 by this act and to all other provisions of this act. Notwithstanding  
 58 any other law, rule or regulation affecting the salary, pay, com-  
 59 pensation, other perquisites, or tenure of a person to whom this  
 60 act applies, or shall apply, and notwithstanding that the minimum  
 61 salary, pay, or compensation or other perquisites provided by law  
 62 for him shall be reduced thereby, payment, less such deductions,  
 63 shall be a full and complete discharge and acquittance of all claims  
 64 and demands for service rendered by him during the period covered  
 65 by such payment.

1 11. Section 27 of P. L. 1954, c. 84 (C. 43:15A-27) is amended to  
 2 read as follows:

3 27. The retirement reserve fund shall be the fund from which all  
 4 retirement allowances shall be paid. Upon the retirement of a  
 5 member **[the]** *his* accumulated deductions **[of the members]**  
 6 together with regular interest shall be transferred to the retirement  
 7 reserve fund from the annuity savings fund. The reserve needed  
 8 to produce the balance of the retirement allowance shall be trans-  
 9 ferred from the contingent reserve fund. If the **[pension or the**  
 10 **annuity]** *retirement allowance* of a member who has been retired  
 11 is subsequently canceled, the appropriate reserve shall be trans-  
 12 ferred to the annuity savings fund and the contingent reserve fund.  
 13 **[If the pension of a disability beneficiary is reduced as a result of**  
 14 **an increase in his earning capacity, the amount of the annual reduc-**  
 15 **tion in his pension shall be paid annually into the contingent reserve**  
 16 **fund during the period of the reduction.]**

17 Any surplus or deficit developing in the retirement reserve fund  
 18 shall be adjusted from time to time by transfer to or from the  
 19 contingent reserve fund by appropriate action of the **[board of**  
 20 **trustees]** *retirement system upon the advice of the actuary.*

1 12. Section 30 of P. L. 1954, c. 84 (C. 43:15A-30) is amended to  
 2 read as follows:

3 30. In accordance with the **[regular]** rate of contribution and the  
 4 extra salary deductions certified by the retirement system, each de-  
 5 partment **[head]** and **[the head of any]** *each* branch of State  
 6 service not within a department shall certify to the State Treasurer  
 7 the **[regular]** *contribution* and extra deductions to be made for the

8 retirement system. The State Treasurer shall pay each of the  
9 amounts so deducted to the retirement system, and he shall trans-  
10 fer to the [board of trustees] *retirement system* monthly or at  
11 such interval as the [board] *system* designates a detailed state-  
12 ment of all amounts so paid. The [secretary of the board] *retire-*  
13 *ment system* shall cause each of the amounts so deducted to be  
14 credited to the *individual* account of the member from whose com-  
15 pensation the deduction was made.

1 13. Section 31 of P. L. 1954, c. 84 (C. 43:15A-31) is amended to  
2 read as follows:

3 31. Each State department and branch of the State service not  
4 included in a department shall keep such records and, from time to  
5 time, furnish such information as the [board of trustees in the  
6 discharge of its duties] *retirement system* may require.

1 14. Section 34 of P. L. 1954, c. 84 (C. 43:15A-34) is amended to  
2 read as follows:

3 34. 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 accumulated deductions, 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 compensation,  
9 not in excess of 25% of the member's compensation, made at the  
10 same time compensation is paid to the member, but not after the  
11 attainment of age 60. The amount so borrowed, together with inter-  
12 est at the rate of 4% per annum on any unpaid balance thereof,  
13 shall be repaid to the retirement system in equal installments by  
14 deduction from the compensation of the member at the time the  
15 compensation is paid or in [some other manner] *such lump sum*  
16 *amount to repay the balance of the loan* but such installments shall  
17 be at least equal to the member's [full] rate of contribution to the  
18 retirement system and at least sufficient to repay the amount bor-  
19 rowed with interest thereon by the time the member attains age 60.  
20 Not more than two loans may be granted to any member in any  
21 calendar year. Notwithstanding any other law affecting the salary  
22 or compensation of any person or persons to whom this act applies  
23 or shall apply, the additional deductions required to repay the loan  
24 shall be made. Any unpaid balance of a loan at the time any benefit  
25 may become payable, shall be deducted from the benefit otherwise  
26 payable.

27 Loans [may] *shall* be made to a member from his accumulated  
28 deduction. [In addition the board of trustees is hereby authorized  
29 to set aside moneys within the contingent reserve fund from which

30 loans to members may be made. If such moneys are used for the  
 31 purpose of making loans, the] *The* interest earned on such loans  
 32 shall be treated in the same manner as interest earned from invest-  
 33 ments of the retirement system.

1 15. Section 37 of P. L. 1954, c. 84 (C. 43:15A-37) is amended to  
 2 read as follows:

3 37. Regular interest charges payable, the creation and main-  
 4 tenance of reserves in the contingent reserve fund, the maintenance  
 5 of retirement reserves as provided for in this act and the payment  
 6 of all retirement allowances and other benefits granted by the board  
 7 of trustees under the provisions of this act, *except the amounts pay-*  
 8 *able by other employers*, are hereby made obligations of the State.  
 9 All income, interest and dividends derived from deposits and in-  
 10 vestments authorized by this act shall be used for the payment of  
 11 these obligations of the State *and other employers*.

12 Upon the basis of each actuarial determination and appraisal  
 13 provided for in this act, the board of trustees shall [prepare and]  
 14 submit to the Governor in each year an itemized [estimate] *state-*  
 15 *ment* of the amounts necessary to be appropriated by the State [to  
 16 the various funds] to provide for payment in full during the en-  
 17 suing fiscal year of the obligations of the State accruing during  
 18 that year. The Legislature shall make an appropriation sufficient  
 19 to provide for such obligations of the State. The amounts so ap-  
 20 propriated shall be paid into the [various funds created by this act]  
 21 *contingent reserve fund*.

1 16. Section 39 of P. L. 1954, c. 84 (C. 43:15A-39) is amended to  
 2 read as follows:

3 39. In computing for retirement purposes the total service as a  
 4 member about to be retired, the retirement system shall credit him  
 5 with the time of all service rendered by him since he last became a  
 6 member, and in addition with all the service to which he is entitled  
 7 and with no other service. Except as otherwise provided in this act,  
 8 such service credit shall be final and conclusive for retirement pur-  
 9 poses unless the member shall discontinue his service for more than  
 10 2 consecutive years.

11 For the purpose of computing service for retirement purposes,  
 12 the board shall fix and determine by appropriate rules and regula-  
 13 tions how much service in any year shall equal a year of service and  
 14 a part of a year of service. Not more than 1 year shall be credited  
 15 for all service in a calendar year. In computing [the] service, [or  
 16 in computing final compensation, no] time during which a member  
 17 was absent on *an official* leave without pay shall be credited, [un-  
 18 less] *if* such absence was for a period of (1) less than 3 months or

19 (2) up to a maximum of 2 years if the leave was due to the member's  
 20 personal illness or maternity and [unless] the period of leave is  
 21 allowed for retirement purposes within 1 year following his return  
 22 to service after the termination of such leave, [both by the employer  
 23 and by the board of trustees,] or (3) [unless] the period of leave  
 24 was specifically allowed for retirement purposes by the provisions  
 25 of any law of this State. [Any such member shall be required to  
 26 contribute, either in a lump sum or by installment payments, an  
 27 amount calculated, in accordance with the rules and regulations of  
 28 the board of trustees, to cover the period of such official leave of  
 29 absence without pay.] *The method of computation, the terms of the*  
 30 *purchase and credit granted shall be identical to those stipulated*  
 31 *for the purchase of previous membership service by members of the*  
 32 *system as provided by section 8 (C. 43:15A-8). In computing the*  
 33 *service or in computing final compensation no time during which a*  
 34 *member was in employment, office, or position, for which the annual*  
 35 *salary or remuneration was fixed at less than \$500.00 shall be*  
 36 *credited, except that in the case of a veteran member credit shall be*  
 37 *given for service rendered prior to January 2, 1955, in an employ-*  
 38 *ment, office or position if the annual salary or remuneration there-*  
 39 *for was fixed at not less than \$300.00 and such service consisted of*  
 40 *the performance of the full duties of such employment, office or*  
 41 *position.*

1 17. Section 41 of P. L. 1954, c. 84 (C. 43:15A-41) is amended to  
 2 read as follows:

3 41. a. A member who withdraws from service or ceases to be an  
 4 employee for any cause other than death or retirement shall, *upon*  
 5 *the filing of an application therefor*, receive all of [the] *his* accumu-  
 6 lated deductions standing to the credit of his individual account in  
 7 the annuity savings fund, plus regular interest, less any outstanding  
 8 loan, except that for any period after June 30, 1944, the interest pay-  
 9 able shall be such proportion of the interest determined at the  
 10 regular rate of 2% per annum bears to the regular rate of interest,  
 11 and except that no interest shall be payable [on members' contribu-  
 12 tions made after December 30, 1954,] in the case of a member who  
 13 has less than 3 years of membership credit for which he has made  
 14 contributions. [Except as provided for in sections 8 and 38 of this  
 15 act, he] *He* shall cease to be a member 2 years from the date he  
 16 discontinued service as an *eligible* employee, or, if prior thereto,  
 17 upon payment to him of his accumulated deductions. *If any such*  
 18 *person or member shall die before withdrawing or before endorsing*  
 19 *the check constituting the return of his accumulated deductions, such*  
 20 *deductions shall be paid to the member's beneficiary.* No member

21 shall be entitled to withdraw the amounts contributed by his em-  
22 ployer covering his military leave unless he shall have returned to  
23 the payroll and contributed to the retirement system for a period  
24 of 90 days.

25 b. Should a member resign after having established 25 years of  
26 creditable service before reaching age 60, he may elect "*early*  
27 *retirement,*" *provided, that such election is communicated by such*  
28 *member to the retirement system by filing a written application,*  
28A *duly attested, stating at what time subsequent to the execution and*  
29 *filing thereof he desires to be retired. He shall [to] receive, in lieu*  
30 *of the payment provided [for above but subject to the provisions*  
31 *of section 59 of this act] in subsection a. of this section, an*  
32 *annuity which is the actuarial equivalent of his accumulated*  
33 *deductions together with regular interest, and [in addition] a*  
34 *pension in the amount which, when added to the member's annuity,*  
35 *will [produce] provide a total retirement allowance of 1/70 of his*  
36 *final compensation for each year of service credited as Class A*  
37 *service and 1/60 of his final compensation for each year of service*  
38 *credited as Class B service, calculated in accordance with section 48*  
39 *(C. 43:15A-48) of this act, reduced by [1/2] 1/4 of 1% for each*  
40 *month that the member lacks of being age 60[ , except that in the*  
41 *case of a member who has not attained age 53 the reduction is equal*  
42 *to 42% plus 1/6 of 1% for each month the member lacks of being*  
42A *age 53, and with the optional privileges provided for in section 50*  
43 *of this act]; provided, however, that upon the receipt of proper*  
44 *proofs of the death of such a member [after he shall have reached*  
45 *60 years of age] there shall be paid to his beneficiary an amount*  
46 *equal to 3/16 of the compensation upon which contributions by the*  
47 *member to the annuity savings fund were based in the last year of*  
48 *creditable service.*

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

52 c. Upon the receipt of proper proofs of the death of a member in  
53 service on account of which no accidental death benefit is payable  
54 under section 49 there shall be paid to such member's beneficiary:

55 (1) The member's accumulated deductions at the time of death  
56 together with regular interest; and

57 (2) An amount equal to 1½ times the compensation upon which  
58 contributions by the member to the annuity savings fund were based  
59 in the last year of creditable service; provided, however, that if such  
60 death shall occur after the member shall have attained age 70, the

61 amount payable shall equal 3/16 of such compensation instead of  
62 1½ times such compensation.

1 18. Section 44 of P. L. 1954, c. 84 (C. 43:15A-44) is amended  
2 to read as follows:

3 44. a. Once each year the [board of trustees] *retirement system*  
4 *may*, and upon his application shall, require any disability bene-  
5 ficiary who is under the age of 60 years to undergo medical examina-  
6 tion by a physician or physicians designated by the [board] *system*  
7 *for a period of 5 years following his retirement in order to deter-*  
8 *mine whether or not the disability which existed at the time he was*  
9 *retired has vanished or has materially diminished.* [The examina-  
10 tion shall be made by the beneficiary's personal physician or a  
11 physician designated by the board at the residence of the beneficiary  
12 or any other place mutually agreed upon.] If [the physician or  
13 physicians thereupon report and certify to the board that] the  
14 disability beneficiary [is not totally incapacitated either physically  
15 or mentally for the performance of duty, or if he] is engaged in an  
16 occupation, then the amount of his pension shall be reduced to an  
17 amount which, when added to the amount then earned by him, shall  
18 not exceed the amount of the salary now attributable to his former  
19 position. If his earnings have changed since the date of his last  
20 [examination] *adjustment*, then the amount of his pension may be  
21 further altered; but the new pension shall not exceed the amount  
22 of pension originally granted.

23 If a disability beneficiary, while under age of 60 years, refuses to  
24 submit to at least one medical examination in any year by a physi-  
25 cian or physicians designated by the [board] *system*, his pension  
26 shall be discontinued until withdrawal of his refusal. If the report  
27 of the medical board shall show that such beneficiary is able to  
28 perform either his former duty or other comparable duty which his  
29 former employer is willing to assign to him, the beneficiary shall  
30 report for duty; *such a beneficiary shall not suffer any loss of bene-*  
31 *fits while he awaits his restoration to active service.* If the bene-  
32 ficiary fails to return to duty within 10 days after being ordered  
33 so to do, or within such further time as may be allowed by the board  
34 of trustees for valid reason, as the case may be, the pension shall  
35 be discontinued during such default.

36 b. [Upon application to the head of the department in which he  
37 was employed at the time of his retirement, any beneficiary, while  
38 under the age of 60 years, may, in the discretion of the head of the  
39 department, be restored to active service as an employee. No dis-  
40 ability beneficiary restored to service shall be compelled or per-  
41 mitted to become a member of the retirement system, or to receive



42 any benefits other than those previously awarded to him, as long as  
43 his annual rate of compensation is less than his final compensation  
44 at the time of his retirement. Any beneficiary under the age of 60  
45 years, who is restored to active service at an annual rate of compen-  
46 sation equal to or greater than his final compensation at the time  
47 of his retirement, or whose annual rate of compensation is in-  
48 creased at any time after his restoration to service, to a rate  
48A equal to or greater than his final compensation at the time of  
48B his retirement, shall thereupon again become a member of the  
49 retirement system. His retirement allowance shall be canceled,  
50 and notwithstanding anything in this act to the contrary, his an-  
51 nuity reserve shall be transferred from the retirement reserve fund  
52 to his individual account in the annuity savings fund. Deductions  
53 shall be made from his compensation at the rate applicable to him  
54 prior to his retirement. Any service certificate on the basis of which  
55 his service was computed at the time of his retirement shall be  
56 restored to full force and effect, and he shall be credited with all  
57 service as a member standing to his credit at the time of his retire-  
58 ment; except that such a beneficiary again becoming a member shall  
59 receive a retirement allowance on subsequent retirement based on  
60 all his service as a member since his last return to membership, and  
61 in addition he shall receive a retirement allowance equal to the re-  
62 tirement allowance on which he was retired at the time of his last  
63 retirement, but the total retirement allowance upon subsequent  
64 retirement shall not be a greater proportion of his final compensa-  
65 tion than the proportion to which he would have been entitled had  
66 he remained in service during the period of his prior retirement.】

67 *If a disability beneficiary becomes employed again in a position*  
68 *which makes him eligible to be a member of the retirement system,*  
69 *his retirement allowance and the right to any death benefit as a*  
70 *result of his former membership, shall be canceled until he again*  
71 *retires.*

72 *Such person shall be reenrolled in the retirement system and shall*  
73 *contribute thereto at a rate based on his age at the time of his prior*  
74 *enrollment. Such persons shall be treated as an active member for*  
75 *determining disability or death benefits while in service and no*  
76 *benefits pursuant to an optional selection with respect to his former*  
77 *membership shall be paid if his death shall occur during the period*  
78 *of such reenrollment.*

79 *Upon subsequent retirement of such member, he shall receive a*  
80 *retirement allowance based on all his service as a member computed*  
81 *in accordance with applicable provisions of this act, but the total*  
82 *retirement allowance upon subsequent retirement shall not be a*

83 *greater proportion of his final compensation that the proportion to*  
 84 *which he would have been entitled had he remained in service during*  
 85 *the period of his prior retirement. Any death benefit to which such*  
 86 *member shall be eligible shall be based on his latest retirement.*

87 **【The provisions of subsection b. of this section pertaining to a**  
 88 **beneficiary restored to service, as altered by this amendatory and**  
 89 **supplementary act, shall not become effective for 5 years following**  
 90 **the effective date of the act.】**

1 19. Section 45 of P. L. 1954, c. 84 (C. 43:15A-45) is amended  
 2 to read as follows:

3 45. A member upon retirement for ordinary disability shall  
 4 receive a retirement allowance, which shall consist of:

5 a. An annuity which shall be the actuarial equivalent of his  
 6 accumulated deductions **【at the time of his retirement】** together  
 7 with regular interest and

8 b. A pension in the amount which, when added to the member's  
 9 annuity, will provide a total retirement allowance of 1½% of final  
 10 compensation multiplied by his number of years of creditable ser-  
 11 vice; provided**【, however】** *further*, that in no event shall the allow-  
 12 ance be less than 40% of final compensation, except that in no case  
 13 shall the rate of allowance exceed 9/10 of the rate of the *regular*  
 14 *service retirement* allowance which the member would have received  
 15 had he remained in service *from the date of retirement* to age 60.

16 c. Upon the receipt of proper proofs of the death of a member  
 17 who has retired on an ordinary disability retirement allowance,  
 18 there shall be paid to such **【person, if living, as he shall have nomi-**  
 19 **nated by written designation duly executed and filed with the board**  
 20 **of trustees, otherwise to the executor or administrator of the】** mem-  
 21 ber's **【estate】** *beneficiary*, an amount equal to 1½ times the com-  
 22 pensation **【received】** *upon which contributions* by the member *to*  
 23 *the annuity savings fund were based* in the last year of creditable  
 24 service; *provided, however, that* if such death **【occurs before】** *shall*  
 25 *occur after* the member shall have **【reached 60 years of age but if**  
 26 **such death occurs thereafter an】** *attained age 60, the amount pay-*  
 27 *able shall equal 【to】* 3/16 of **【the】** *such compensation 【received by*  
 28 *the member in the last year of creditable service】.*

1 20. Section 46 of P. L. 1954, c. 84 (C. 43:15A-46) is amended to  
 2 read as follows:

3 46. A member under 65 years of age upon retirement for acci-  
 4 dental disability shall receive a retirement allowance which shall  
 5 consist of:

6 a. An annuity which shall be the actuarial equivalent of his  
7 accumulated deductions [at the time of his retirement] together  
8 with regular interest; and

9 b. A pension, [in addition] *in the amount which, when added*  
10 *to the member's annuity, will provide a total retirement allowance*  
11 *of  $\frac{2}{3}$  of his actual annual compensation for which contributions*  
12 *were being made at the time of the occurrence of the accident.*

13 c. Upon receipt of proper proofs of the death of a member who  
14 has retired on an accidental disability retirement allowance,  
15 there shall be paid to such [person, if living, as he shall have  
16 nominated by written designation duly executed and filed with the  
17 board of trustees, otherwise to the executor or administrator of  
18 the] member's [estate] *beneficiary*, an amount equal to  $1\frac{1}{2}$  times  
19 the compensation [received] *upon which contributions* by the mem-  
20 *ber to the annuity savings fund were based* in the last year of cred-  
21 *itable service; provided, however, that if such death [occurs be-*  
22 *fore] shall occur after the member shall have [reached 60 years*  
23 *of age but if such death occurs thereafter an] attained age 60, the*  
24 *amount payable shall equal [to]  $\frac{3}{16}$  of [the] such compensation*  
25 *[received by the member in the last year of creditable service].*

1 21. Section 47 of P. L. 1954, c. 84 (C. 43:15A-47) is amended to  
2 read as follows:

3 47. [Retirement from service shall be as follows:]

4 a. A member who [shall have reached] *has attained* 60 years of  
5 age may retire *on a [from] service retirement allowance* by filing  
6 with the [board of trustees] *retirement system* a written [state-  
7 ment] *application*, duly attested, stating at which time subsequent  
8 to the execution and filing thereof he desires to be retired. The  
9 board of trustees shall retire him at the time specified or at such  
10 other time within [30 days] *1 month* after the date so specified as  
11 the board finds advisable.

12 b. [A] *Any member in service* who [shall have reached] *attains*  
13 70 years of age shall be retired by the board of trustees *on a [for]*  
14 *service retirement allowance forthwith on the first day of the next*  
15 *calendar month*, or at such time within [90 days] *1 month* there-  
16 after as it [deems] *finds* advisable, except that an employee [reach-  
17 ing] *attaining* 70 years of age may be continued in service [from  
18 time to time] *on an annual basis* upon written notice to the [board  
19 of trustees] *retirement system* by the head of the *State depart-*  
20 *ment or employer* where the employee is employed.

1 22. Section 48 of P. L. 1954, c. 84 (C. 43:15A-48) is amended to  
2 read as follows:

3 48. [Subject to the provisions of section 59 of this act, a] 4  
 4 member, upon retirement for service, shall receive a retirement  
 5 allowance consisting of:

6 a. An annuity which shall be the actuarial equivalent of his  
 7 accumulated deductions [at the itme of his retirement] together  
 8 with regular interest; and

9 b. A pension *in the amount* which, when added to the *member's*  
 10 annuity, will [produce a] *provide a total* retirement allowance of  
 11  $\frac{1}{70}$  of his final compensation for each year of service credited as  
 12 Class A service and  $\frac{1}{60}$  of his final compensation for each year  
 13 of service credited as Class B service.

14 [c. If in the case of a member who was age 60 or over on June 30,  
 15 1953, who if he had retired immediately would have had an annuity  
 16 in excess of  $\frac{1}{140}$  of his final compensation for each year of mem-  
 17 bership service credited as a Class A member and  $\frac{1}{120}$  of his final  
 18 compensation for each year of membership service credited as a  
 19 Class B member, the amount of such excess annuity determined  
 20 as of such date shall not be used in determining the pension on  
 21 immediate or subsequent retirement.]

22 [d.] c. Upon the receipt of proper proofs of the death of a mem-  
 23 ber who has retired on a service retirement allowance, there shall  
 24 be paid to [such person, if living, as he shall have nominated by  
 25 written designation duly executed and filed with the board of trus-  
 26 tees, otherwise to the executor or administrator of] the member's  
 27 [estate] *beneficiary*, an amount equal to  $\frac{3}{16}$  of the compensation  
 28 [received] *upon which contributions* by the member *to the annuity*  
 29 *savings fund were based* in the last year of creditable service.

1 23. Section 49 of P. L. 1954, c. 84 (C. 43:15A-49) is amended to  
 2 read as follows:

3 49. a. Upon the death of a member in active service as a result  
 4 of an accident [arising out of and in the course of his employment]  
 5 *met in the actual performance of duty at some definite time and*  
 6 *place* and not as the result of his willful negligence, an [accident]  
 7 *accidental* death benefit shall be payable, if a report of the accident  
 8 is filed in the office of the retirement system within 60 days next  
 9 following the accident, but the board of trustees may waive such  
 10 time limit, for a reasonable period, if in the judgment of the board  
 11 the circumstances warrant such action. [Evidence must be sub-  
 12 mitted to the board of trustees proving that the natural and proxi-  
 13 mate cause of his death was an accident arising out of and in the  
 14 course of employment at some definite time and place.]

15 [Upon application by or on behalf of the dependents of such  
 16 deceased member, in addition to the payment of his accumulated

17 deductions with regular interest, an allowance of  $\frac{1}{2}$  of the final  
18 compensation of such employee, if the member was a male employee,  
19 shall be payable as a pension to his widow, to continue during her  
20 widowhood; or, if no widow, or in case the widow dies or remarries  
21 before the youngest child of such deceased member attains age 18,  
22 or if the member was a married female employee, then to the child  
23 or children of such member under age 18, to continue until the  
24 youngest surviving child dies or attains age 18. If there be no  
25 widow or child under age 18 surviving such member, or if the mem-  
26 ber was never married, then there shall be paid a cash sum equal  
27 to the amount stipulated under section 41(c) (2) of this act to his  
28 or her beneficiary. In no case shall the accident death benefit under  
29 this section be less than that provided for ordinary death benefit  
30 under the provisions of section 41 (c) (2).]

31 No such application shall be valid or acted upon unless it is filed  
32 in the office of the retirement system within [2] 5 years of the date  
33 of [the accident; but the board may waive such time limit, for a  
34 reasonable period, if in the judgment of the board the circumstances  
35 warrant such action] such death.

36 *b. Upon the receipt of proper proofs of the death of a member*  
37 *on account of which an accidental death benefit is payable, there*  
38 *shall be paid to his widow or widower a pension of 50% of the*  
39 *compensation, upon which contributions by the member to the an-*  
40 *nuity savings fund were based in the last year of creditable service,*  
41 *for the use of herself or himself and the children of the deceased*  
42 *member, to continue during her or his widowhood; if there is no*  
43 *surviving widow or widower or in case the widow or widower dies*  
44 *or remarries, 20% of such compensation will be payable to one*  
45 *surviving child, 35% of such compensation to two surviving chil-*  
46 *dren in equal shares and if there be three or more children, 50%*  
47 *of such compensation will be payable to such children in equal*  
48 *shares. If there is no surviving widow, widower or child, 25% of*  
49 *the compensation upon which contributions by the member to the*  
50 *annuity savings fund were based in the last year of creditable ser-*  
51 *vice, will be payable to one surviving parent or 40% of such com-*  
52 *penetration will be payable to two surviving parents in equal shares.*  
53 *In the event of accidental death occurring in the first year of cred-*  
54 *itable service, the benefits, payable pursuant to this subsection,*  
55 *shall be computed at the annual rate of compensation.*

56 *c. If there is no surviving widow, widower, child or parent, there*  
57 *shall be paid to any other beneficiary of the deceased member his*  
58 *accumulated deductions at the time of death.*

59 *d. In no case shall the death benefit provided in subsection b.*  
60 *be less than that provided under subsection c.*

61 *e. In addition to the foregoing benefits payable under subsec-*  
62 *tion b. or c., there shall also be paid in one sum to such member's*  
63 *beneficiary an amount equal to 1 1/2 times the compensation upon*  
64 *which contributions by the member to the annuity savings fund*  
65 *were based in the last year of creditable service; provided, how-*  
66 *ever, that if such death shall occur after the member shall have*  
67 *attained age 70, the amount payable shall equal 3/16 of such com-*  
68 *ensation instead of 1 1/2 times such compensation.*

1 24. Section 52 of P. L. 1954, c. 84 (C. 43:15A-52) is amended to  
2 read as follows:

3 52. The various funds created by this act shall be subject to  
4 examination by the **[Commissioner]** *Department* of **[Banking and]**  
5 Insurance. The Commissioner of **[Banking and]** Insurance shall  
6 have the power, whenever he deems the same expedient, to make  
7 or cause to be made an examination of all the assets and liabilities,  
8 method of conducting business and all other affairs of the retire-  
9 ment system and shall make such examination at least once every  
10 **[2]** 3 years. **[His first examination after the effective date of this**  
11 **act shall be for the period ending June 30, 1956.]**

12 **[For the purpose of such examination the Commissioner of**  
13 **Banking and Insurance may employ such persons to conduct the**  
14 **same or to assist therein as he may deem advisable.]** For the  
15 purpose of such examination all securities, books, papers or other  
16 documents **[owned by,]** in the possession of**[, or relating to]** the  
17 retirement system shall be made available on demand for **[the]**  
18 inspection **[of the commissioner or any of his duly authorized as-**  
19 **sistants]**. The report on such examination shall be filed in the  
20 Department of **[Banking and]** Insurance and a copy thereof shall  
21 be transmitted to the *board of trustees and the actuary* of the  
22 system and to the *Division of Pensions* **[Governor]**. Neither the  
23 commissioner nor any appointee thereof shall be liable for any  
24 statement included therein.

1 25. Section 54 of P. L. 1954, c. 84 (C. 43:15A-54) is amended to  
2 read as follows:

3 54. If any change or error in records results in an employee  
4 or beneficiary receiving from the retirement system more or less  
5 than he would have been entitled to receive had the records been  
6 correct, then on discovery of the error, the **[board of trustees]**  
7 *retirement system* shall correct it and, so far as practicable, ad-  
8 just the payments in such a manner that the actuarial equivalent  
9 of the benefit to which he was correctly entitled shall be paid.

10     *The application of any member for prior service credit shall be*  
11 *approved if the employer stipulates, in writing, to the retirement*  
12 *system that the information necessary for the award of such credit*  
13 *was not presented to the employee and agrees to make the neces-*  
14 *sary additional contribution to the contingent reserve fund.*

1     26. Section 56 of P. L. 1954, c. 84 (C. 43:15A-56) is amended to  
2 read as follows:

3     56. No public employee veteran eligible for membership in the  
4 Public Employees' Retirement System shall be eligible for, or re-  
5 ceive, retirement benefits under R. S. 43:4-1, 43:4-2 and 43:4-3.

6     [All other employees in the classified civil service of the State  
7 who are not veterans and who are in any office or employment  
8 covered by a noncontributory pension law of this State providing  
9 for the payment of pensions to State employees may, by written  
10 application to the board of trustees created under this act, renounce  
11 the benefits as therein provided for, in the manner prescribed by  
12 the board of trustees, and may be admitted to membership in the  
13 fund created under this act in the same manner as other State  
14 employees.]

1     27. Section 60 of P. L. 1954, c. 84 (C. 43:15A-60) is amended to  
2 read as follows:

3     60. a. Each public employee veteran member shall have returned  
4 to him his accumulated deductions as of January 2, 1955. All  
5 service rendered in office, position, or employment of this State or  
6 of a county, municipality, school district [or], board of education,  
7 or other public employer, or service rendered for the State Uni-  
8 versity of New Jersey, an instrumentality of this State, after April  
9 16, 1945, and the New Jersey State Agricultural Experiment  
10 Station established by an act approved March 10, 1880 (P. L. 1880,  
11 c. 106 and continued pursuant to chapter 16 of Title 4 of the Re-  
12 vised Statutes), an instrumentality of this State, excluding service  
13 rendered as county extension service farm and home demonstration  
14 agents, by such veteran member previous to January 2, 1955, for  
15 which evidence satisfactory to the [board of trustees] retirement  
16 system is presented, shall be credited to him as a "Class B" mem-  
17 ber [and such credit shall be known as prior service credit] and  
18 the obligation of the employer on account of such credit shall be  
19 known as the accrued liability on behalf of such veteran member;  
20 provided, however, that no credit shall be allowed for such service  
21 rendered prior to January 2, 1955 unless the member [whose ser-  
22 vice has been continuous since January 2, 1955,] purchases credit  
23 for all eligible service rendered on or after such date[, or in the  
24 event service has not been continuous since January 2, 1955, the

25 member agrees to purchase all credit between January 2, 1955 and  
26 the date of termination of employment. Service by a veteran mem-  
27 ber as a member of the Congress of the United States from the  
28 State of New Jersey, if any, pursuant to election or appointment  
29 as a United States Senator or member of the United States House  
30 of Representatives shall be included within the calculation of prior  
31 service, as though such service had been rendered in office, position  
32 or employment of this State].

33 b. The accrued liability on behalf of State employee veteran mem-  
34 bers including veteran members employed by the State University  
35 of New Jersey or by the New Jersey Agricultural Experiment  
36 Station shall be paid by the State as provided in section 24. The  
37 accrued liability on behalf of other public employee veteran mem-  
38 bers shall be paid by their employers, as of January 2, 1955, or the  
39 date of the next annual valuation of the retirement system follow-  
40 ing his enrollment, whichever is later, in the same manner as pro-  
41 vided in the case of State employee veteran members in section 24.  
42 The [board of trustees] *retirement system* shall certify to the chief  
43 fiscal officer of the employer the accrued liability contribution pay-  
44 able by such employer on behalf of veteran members [as if they  
45 were State employees].

46 c. Each public employee veteran member shall make contributions  
47 to the retirement system at the [proportions] *rates of contribution*  
48 applicable to Class B members of group two of the former "State  
49 Employees' Retirement System" as of June 30, 1949, [except that  
50 the board of trustees may from time to time adopt for employees  
51 becoming members after January 2, 1955 new proportions of com-  
52 pensation to be determined] as provided in section 25. Each public  
53 employee veteran member shall pay the proportion of compensation  
54 applicable to his age at the commencement of employment, position  
55 or office with the State, any county, municipality or school district  
56 [or], board of education, *or other public employer* except that  
57 where such service has not been continuous, the public employee  
58 veteran member shall pay the proportion of compensation appli-  
59 cable to the age resulting from the subtraction of his years of ser-  
60 vice from his age as of January 2, 1955. No public employee veteran  
61 member shall be required during the continuation of his member-  
62 ship to increase the proportion of compensation certified at the time  
63 of becoming a member as payable by him, except as [required by  
64 changes in the rate of contributions to the Social Security Fund]  
65 *provided in section 58 (C. 43:15A-58).*



66 d. In the event that a public employee veteran who prior to  
 67 January 2, 1955 rendered service in office, position or employment  
 68 of this State, including such service rendered for any instrumen-  
 69 tality enumerated in paragraph a. of this section, or of a county,  
 70 municipality, or school district **[or]**, board of education, *or other*  
 71 *public employer*, but who is not in such office, position or employ-  
 72 ment on January 2, 1955, shall later become a member of the re-  
 73 tirement system, such public employee veteran *member* shall receive  
 74 prior service credit for service rendered prior to January 2, 1955,  
 75 for which evidence satisfactory to the **[board of trustees]** *retire-*  
 76 *ment system* is presented, **[in the same manner as received by other**  
 77 **public employee veteran members]** and shall pay the proportion  
 78 of compensation, applicable to the age resulting from the subtrac-  
 79 tion of his years of such prior service from his age on the date of  
 80 his becoming a member of the retirement system *as provided in*  
 81 *section 25 (C. 43:15A-25)*. The employer of such public employee  
 82 veteran on the date of his becoming a member shall pay the accrued  
 83 liability on behalf of such prior service, and such **[accrued]**  
 84 liability shall be paid in such a manner that the total obligation  
 85 will be met within the period of time fixed for the liquidation of  
 86 **[all accrued liabilities]** *such accrued liability* of the employer.

1 28. Section 61 of P. L. 1954, c. 84 (C. 43:15A-61) is amended to  
 2 read as follows:

3 61. a. **[Subject to the provisions of section 59 of this act, any]**  
 4 *Any* public employee veteran member in office, position or employ-  
 5 ment of this State or of a county, municipality, public agency, **[or]**  
 6 school district or board of education on January 2, 1955, who  
 7 remains in **[such]** *continuous* service thereafter and who has or  
 8 shall have attained the age of 60 years and who has or shall have  
 9 been for 20 years **[in the aggregate]** in office, position or employ-  
 10 ment of this State or of a county, municipality, public agency, **[or]**  
 11 school district or board of education, shall have the privilege of  
 12 retiring for service and of receiving, instead of the retirement  
 13 allowance provided under section 48 of this act, a retirement allow-  
 14 ance of  $\frac{1}{2}$  of the compensation received during the last year of  
 15 employment upon which contributions to the annuity savings fund  
 16 or contingent reserve fund are made **[with the optional privileges**  
 17 **provided for in section 50 of this act]**.

18 b. **[Subject to the provisions of section 59 of this act, any]** *Any*  
 19 *public employee* veteran becoming a member after January 2, 1955  
 20 who shall be in office, position or employment of this State or of a  
 21 county, municipality, public agency, **[or]** school district or board  
 22 of education and who shall have attained 62 years of age and who

23 has 20 years of aggregate service credit in such office, position or  
 24 employment, shall have the privilege of retiring for service and  
 25 **[of]** receiving, instead of the retirement allowance provided under  
 26 section 48 of this act, a retirement allowance of  $\frac{1}{2}$  of the compensa-  
 27 tion received during the last year of employment upon which con-  
 28 tributions to the annuity savings fund or contingent reserve fund  
 29 are made **[with the optional privileges provided for in section 50**  
 30 **of this act]**. The provisions of this subsection shall also apply to  
 31 any veteran who was a member on January 2, 1955, but whose ser-  
 32 vice was not continuous thereafter.

33 . c. **[Subject to the provisions of section 59 of this act, any]** *Any*  
 34 public employee veteran member who has been for 20 years in the  
 35 aggregate in office, position or employment of this State or of a  
 36 county, municipality, public agency, **[or]** school district or board  
 37 of education as of January 2, 1955 shall have the privilege of  
 38 retiring for ordinary disability and of receiving, instead of the  
 39 retirement allowance provided under section 45 of this act, a re-  
 40 tirement allowance of  $\frac{1}{2}$  of the compensation received during the  
 41 last year of employment upon which contributions to the annuity  
 42 savings fund or contingent reserve fund are made **[with the**  
 43 **optional privileges provided for in section 50 of this act]**. Such  
 44 retirement shall be subject to the provisions governing ordinary  
 45 disability retirement in sections 42 and 44 of this act.

46 d. The death benefit provided in **[subsection d. of]** section 48  
 47 shall apply in the case of any member retiring under the provisions  
 48 of subsections a. and b. of this section. The death benefit provided  
 49 in section 45 shall apply in the case of any member retiring under  
 50 the provisions of subsection c. of this section.

1 29. Section 64 of P. L. 1954, c. 84 (C. 43:15A-64) is amended to  
 2 read as follows:

3 64. Any other provision of this act notwithstanding (a) any  
 4 member of the retirement system who is not covered under the old-  
 5 age and survivor's insurance provisions of Title II of the Federal  
 6 Social Security Act as a public employee shall not be eligible for  
 7 the death benefit provisions of sections 38, 41, 45 (c), 46 (c), 48  
 8 **[(d)]** (c), 49 (e) and 57 except for the payment of accumulated  
 9 deductions together with regular interest; (b) *no beneficiary of a*  
 10 *pensioner who enrolled as a member on or after July 1, 1971 and*  
 11 *who retired for any reason other than disability shall be entitled*  
 12 *to receive benefits pursuant to the noncontributory death benefit*  
 13 *coverages provided by this chapter if the pensioner had less than 10*  
 14 *years of service credit for retirement purposes at the time of retire-*  
 15 *ment\****[;** (c) *no member or beneficiary shall be entitled to receive a*

16 *monthly retirement allowance or other benefit payable pursuant*  
17 *to this chapter unless the amount of the allowance or benefit would*  
18 *be at least \$25.00 per month*]\*.

1 30. Section 65 of P. L. 1954, c. 84 (C. 43:15A-65) is amended to  
2 read as follows:

3 65. (a) All employees of any public agency or organization of  
4 this State, which employs persons engaged in service to the public,  
5 shall be eligible to participate in the Public Employees' Retirement  
6 System provided, the employer consents thereto by resolution and  
7 files a certified copy of such resolution with the board of trustees  
8 of the Public Employees' Retirement System and the board of  
9 trustees approves thereof by resolution. Such organization shall  
10 be referred to in this act as the employer. If the participation  
11 of such employees is so approved then the employer shall contribute  
12 to the contingent reserve fund on account of its members at the  
13 same rate per centum as would be paid by [the State, if the mem-  
14 bers were State employees] *employers other than the State.*

15 (b) Notwithstanding the provisions of paragraph (a) of this  
16 section, every person becoming an employee of a public agency  
17 or organization of this State, which employs persons engaged in  
18 service to the public, after June 30, 1966, who is not eligible to  
19 become a member of any other retirement system, shall be required  
20 to participate in the Public Employees' Retirement System. Not-  
21 withstanding the provisions of paragraph (a) of this section,  
22 membership in the Public Employees' Retirement System shall be  
23 optional with any person in the employ of any such public agency  
24 or organization on June 30, 1966, provided such person is not  
25 required to be a member pursuant to another provision of this  
26 act, and provided further, that such person is not eligible to be a  
27 member of any other retirement system. The provisions of this  
28 subsection shall not apply to any person whose position is  
29 temporary or seasonal, nor to any person in office, position or em-  
30 ployment for which the annual salary or remuneration is fixed  
31 at less than \$500.00, nor to any person whose position is not  
32 covered by the old-age and survivors' insurance provisions of the  
33 Federal Social Security Act. The public agency or organization  
34 employing any such person who becomes a member of the retire-  
35 ment system pursuant to this paragraph shall contribute to the  
36 contingent reserve fund on account of such employees at the same  
37 rate per centum as would be paid by [the State if the members  
38 were State employees] *employers other than the State.*

1 31. Section 68 of P. L. 1954, c. 84 (C. 43:15A-68) is amended to  
2 read as follows:

3 68. The Public Employees' Retirement System shall certify to  
 4 the chief fiscal officer of the employer the rates of contributions  
 5 payable by members, as if they were State employees. The  
 6 system shall further certify the contributions, including the accrued  
 7 liability contribution similar to the State accrued liability con-  
 8 tribution, payable by the employer to the contingent reserve fund  
 9 on behalf of these members, as if they were State employees,  
 10 and a pro rata share of the cost of the administration of the retire-  
 11 ment system, based upon the payroll of the members who are  
 12 employees of the employer. The initial actuarial expense incident  
 13 to the determination of the accrued liability contribution payable  
 14 by the employer, shall be paid by the employer. The amount  
 15 certified by the system as payable by such employer to the con-  
 16 tingent reserve fund shall be included in the next budget subsequent  
 17 to the certification by the system. The treasurer or corresponding  
 18 officer shall pay on July 1 in each year to the State Treasurer the  
 19 amount of the employer's charges so certified. If payment of the  
 20 full amount of such obligation is not made within 30 days after  
 21 July 1, interest at the rate of 4 6% per annum shall commence  
 22 to run against the unpaid balance thereof on the first day after  
 23 such thirtieth day. The treasurer or corresponding officer shall  
 24 also pay to the State Treasurer the amount of the deductions from  
 25 the compensation of the members who are employees of the em-  
 26 ployer in accordance with the rules and regulations established  
 27 by the board of trustees. The State Treasurer shall credit these  
 28 amounts to the appropriate fund or account.

1 32. Section 72 of P. L. 1954, c. 84 (C. 43:15A-72) is amended to  
 2 read as follows:

3 72. Whenever If possible, whenever any beneficiary member  
 4 of the Public Employees' Retirement System of New Jersey who  
 5 has retired or shall retire from active service shall, in writing,  
 6 request the board of trustees Division of Pensions to make de-  
 7 ductions from his retirement allowance or pension for the payment  
 8 of premiums for any hospital service plan or medical surgical plan  
 9 or both the pensioners' group health insurance plan or the State  
 10 Health Benefits Program, the board of trustees division may  
 11 make such deductions and transmit the sum so deducted to the  
 12 company companies carrying the policy or policies. Any such  
 13 written authorization may be withdrawn by any member bene-  
 14 ficiary upon filing notice of such withdrawal with the board of  
 15 trustees division.

1 33. Section 73 of P. L. 1954, c. 84 (C. 43:15A-73) is amended to  
 2 read as follows:

3 73. a. The [board of trustees of the] Public Employees' Retirement  
4 System is hereby authorized and directed to enroll [in the  
5 Public Employees' Retirement System] *eligible* employees of the  
6 New Jersey Turnpike Authority, the New Jersey Highway Authority,  
7 Palisades Interstate Park Commission, Interstate Sanitation  
8 Commission, the Delaware River Basin Commission and the Delaware  
9 River Joint Toll Bridge Commission [who consent and file  
10 application for membership in said retirement system; those employees  
11 of such agencies or instrumentalities who are members of  
12 the Public Employees' Retirement System by virtue of section 7 of  
13 this act are not required to file application for membership in said  
14 retirement system].

15 In the case of the Delaware River Joint Toll Bridge Commission,  
16 the *eligible* employees shall be only those who are employed on the  
17 free bridges across the Delaware river, under the control of said  
18 commission.

19 [Upon such enrollment, the] *The* said employees shall be subject  
20 to the same *membership*, contribution and benefit provisions of the  
21 retirement system as State employees.

22 b. The State University of New Jersey, as an instrumentality  
23 of the State, shall, for all purposes of this act, be deemed an employer  
24 and its *eligible* employees, both veterans and nonveterans,  
25 shall be subject to the same membership, contribution and benefit  
26 provisions of the retirement system and to the provisions of chapter  
27 3 of Title 43 of the Revised Statutes as are applicable to State employees  
28 and for all purposes of this act employment by the State  
29 University of New Jersey after April 16, 1945, and for the purposes  
30 of chapter 3 of Title 43 of the Revised Statutes any new employment  
31 after [the effective date of this amendatory act] *January 1,*  
32 *1955*, shall be deemed to be and shall be construed as service to  
33 and employment by the State of New Jersey.

34 c. The Compensation Rating and Inspection Bureau, created and  
35 established pursuant to the provisions of R. S. 34:15-89, shall, for  
36 all purposes of this act, be deemed an employer and its *eligible* employees,  
37 both veterans and nonveterans, shall be subject to the same  
38 membership, contribution and benefit provisions of the retirement  
39 system and to the provisions of chapter 3 of Title 43 of the Revised  
40 Statutes as both are applicable to State employees.

41 The [board of trustees] *retirement system* shall certify to the  
42 Commissioner of [Banking and] Insurance and the Commissioner  
43 of [Banking and] Insurance shall direct the Compensation Rating  
44 and Inspection to provide the necessary payments to the retirement  
45 system in accordance with procedures established by the [board]

46 *retirement system.* Such payments shall include (1) the contribu-  
47 tions and charges, similar to those paid by other public agency  
48 employers, to be paid by the Compensation Rating and Inspection  
49 Bureau to the retirement system on behalf of its employee members,  
50 and (2) the contributions to be paid by the Compensation Rating  
51 and Inspection Bureau to provide the past service credits up to  
52 June 30, 1965 for these members, both veterans and nonveterans,  
53 who enroll [within 1 year after the effective date of this subsection]  
54 *before July 1, 1966.*

1 34. Section 81 of P. L. 1954, c. 84 (C. 43:15A-81) is amended to  
2 read as follows:

3 81. The Public Employees' Retirement System shall certify to  
4 each employer the rates of contributions payable by members who  
5 are county, municipal or school district employees[, as if they were  
6 State employees]. The system shall further certify the contribu-  
7 tions, including the accrued liability contribution similar to the  
8 State accrued liability contribution, payable by the county, munici-  
9 pality or school district to the contingent reserve fund on behalf  
10 of these members, [as if they were State employees,] and a pro  
11 rata share of the cost of the administration of the retirement sys-  
12 tem, based upon the payroll of the members who are employees of  
13 the employees of the county, municipality or school district. The  
14 initial actuarial expense incident to the determination of the ac-  
15 crued liability contribution, payable by the county, municipality or  
16 school district, shall be paid by the county, municipality or school  
17 district. The amount certified by the system as payable by the  
18 county, municipality or school district to the contingent reserve  
19 fund shall be included in the next budget subsequent to the certifica-  
20 tion by the system and levied and collected as any other taxes are  
21 levied and collected. The treasurer or corresponding officer of any  
22 county, municipality or school district shall pay on or before July 1  
23 in each year to the State Treasurer the amount of the county, mu-  
24 nicipal or school district charges so certified. If payment of the full  
25 amount of such obligation is not made within 30 days after July 1,  
26 interest at the rate of [4] 6% per annum shall commence to run  
27 against the unpaid balance thereof on the first day after such  
28 thirtieth day. The treasurer or corresponding officer shall also pay  
29 to the State Treasurer the amount of deductions from the compen-  
30 sation of the members who are employees of the county, munici-  
31 pality or school district [in accordance with the rules and regula-  
32 tions established by the board of trustees]. The State Treasurer  
33 shall credit these amounts to the appropriate fund or account.

1 35. Section 84 of P. L. 1954, c. 84 (C. 43:15A-84) is amended  
2 to read as follows:

3 84. This act shall be known and may be cited as the "Public  
4 Employees' [Retirement-Social Security Integration] *Retirement*  
5 *System Act.*"

1 36. Section 1 of P. L. 1955, c. 214 (C. 43:15A-88) is amended  
2 to read as follows:

3 1. The State Treasurer is hereby authorized and permitted to  
4 purchase from one or more life insurance companies, as determined  
5 by him, a policy or policies of group life insurance to provide for the  
6 benefits specified in sections 38, 41, 45, 46, [and] 48 and 49 of chap-  
7 ter 84 of the laws of 1954. The Board of Trustees of the Public  
8 Employees' Retirement System is hereby authorized and permitted  
9 to purchase from one or more life insurance companies, as  
10 determined by it, a policy or policies of group life insurance to  
11 provide for the benefits specified in section 57 of chapter 84 of  
12 the laws of 1954. *Such group life insurance coverage may be*  
13 *provided under one or more policies issued to the State Treasurer*  
14 *specifically for this purpose, or in the discretion of the State*  
15 *Treasurer, under one or more policies issued to the State Treasurer*  
16 *which provide group life insurance coverage for members of one*  
17 *or more other retirement systems of the State of New Jersey.*  
18 Whenever such policy or policies of group insurance shall be in  
19 effect, the benefits payable thereunder shall be in lieu of the above  
20 mention death benefits provided by said sections.

1 37. Section 7 of P. L. 1955, c. 214 (C. 43:15A-94) is amended  
2 to read as follows:

3 7. Benefits under such group policy or policies shall be paid by  
4 the company to such person, if living, as the member shall have  
5 nominated by written designation duly executed and filed with the  
6 insurance company through the policyholder, otherwise to the ex-  
7 ecutors or administrators of the member's estate[, except that if a  
8 member dies in active service as a result of accident and claim is  
9 made and allowed under section 49 of chapter 84 of the laws of 1954,  
10 the death benefit payable under the policy in such case, exclusive of  
11 any additional death benefit provided by section 57 of said chapter,  
12 shall, in lieu of being paid as aforesaid be paid to the State  
13 Treasurer]. A member may file with the insurance company  
14 through the policyholder and alter from time to time during his  
15 lifetime, as desired, a duly attested written nomination of his payee  
16 for the death benefit.

1 38. Section 8 of P. L. 1955, c. 214 (C. 43:15A-95) is amended  
2 to read as follows:

3 8. 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. A member may make such arrangements  
9 for settlement, and may alter from time to time during his lifetime  
10 any arrangement previously made, by making written request to  
11 the insurance company through the policyholder. Upon the death of  
12 a member, a beneficiary to whom a benefit is payable in one sum by  
13 the insurance company may likewise arrange for a settlement as  
14 described above. If a member's or beneficiary's request for settle-  
15 ment of any death benefit in equal [annual] installments over a  
16 period of years or as a life annuity pursuant to the foregoing is  
17 approved by the policyholder, the amount of such [annual] install-  
18 ments or *such* life annuity, as the case may be, shall be determined  
19 on the basis of such applicable mortality tables [and rates of in-  
20 terest] as shall have been adopted by the retirement system and are  
21 in effect at the member's death. Any arrangement for payment  
22 under the group policy to a beneficiary shall be in lieu of that  
23 provided by sections 38, 41, 45, 46, 48, 49 and 57 of chapter 84 of the  
24 laws of 1954.

1 39. Section 1 of P. L. 1955, c. 257 (C. 43:15A-97) is amended  
2 to read as follows:

3 1. "Law enforcement officer" shall mean any permanent and  
4 full-time employee of the State of New Jersey holding one of the  
5 following titles: [inspector, senior inspector, principal inspector,  
6 deputy chief inspector and chief inspector] *motor vehicles officer,*  
7 *motor vehicles sergeant, motor vehicles lieutenant, motor vehicles*  
8 *captain, assistant chief, bureau of enforcement, and chief, bureau of*  
9 *enforcement* in the Division of Motor Vehicles, and inspector, in-  
10 vestigator, and administrative inspector in the Division of Alcoholic  
11 Beverage Control, conservation officer, assistant district conserva-  
12 tion officer and district conservation officer in the Division of Fish  
13 and Game, and assistant chief marine police and senior marine  
14 patrolman in the Division of Resource Development, and inspector,  
15 officer, senior inspector, and principal inspector in the Division of  
16 Shell Fisheries, any permanent and full-time active county detective,  
17 lieutenant of county detectives, captain of county detectives, chief  
18 of county detectives, and county investigator in the office of the  
19 county prosecutors, and any patrolman or other police officer of the  
20 Board of Commissioners of the Palisades Interstate Park appointed



21 pursuant to section 32:14-21 of the Revised Statutes, provided,  
 22 however, that no member of the Alcoholic Beverage Law Enforce-  
 23 ment Officers' Pension Fund, nor any person employed in the Divi-  
 24 sion of Alcoholic Beverage Control after February 1, 1955 whose  
 25 position is covered by the provisions of c. 423, P. L. 1953 shall be  
 26 eligible for membership in the Public Employees' Retirement Sys-  
 27 tem until the conditions set forth in section 10 of this act have been  
 28 complied with].

29 If the Prison Officers Pension Fund is terminated as provided in  
 30 section 10 hereof, "law enforcement officer" shall also mean any  
 31 permanent and full-time active employee of the State of New Jersey  
 32 holding the title of correction officer, correction sergeant, correction  
 33 lieutenant, correction captain or deputy keeper in the Division of  
 34 Correction and Parole, or any member of the Prison Officers'  
 35 Pension Fund on the date of such termination.

1 40. Section 4 of P. L. 1955, c. 257 (C. 43:15A-100) is amended  
 2 to read as follows:

3 4. [Subject to the provisions of section 59 of the act to which this  
 4 act is a supplement, upon] *Upon* service retirement as a law en-  
 5 forcement officer a member shall receive a service retirement allow-  
 6 ance consisting of:

7 a. An annuity which shall be the actuarial equivalent of his  
 8 accumulated deductions together with regular interest [at the time  
 9 of his retirement;] and

10 b. A pension *in the amount* which, when added to the *member's*  
 11 annuity, will [produce] *provide* a *total* retirement allowance equal  
 12 to 2% of his final compensation multiplied by his number of years  
 13 of service credit as a law enforcement officer for which he has made  
 14 contributions up to 25, plus 1 $\frac{2}{3}$ % of his final compensation multi-  
 15 plied by his number of years of service credit other than service as  
 16 a law enforcement officer, for which he has made contributions, plus  
 17 1% of his final compensation multiplied by his number of years of  
 18 service credit as a law enforcement officer for which he has made  
 19 contributions over 25 or for which he has made no contributions to  
 20 the retirement system for the period while he was a law enforcement  
 21 officer or, in the case of a veteran, while he was in office, position or  
 22 employment of this State, or of any county, municipality, *public*  
 23 *agency* or school district; provided, however, that in the case of any  
 24 member electing to receive benefits under section 38(b) of [the act  
 25 to which this act is a supplement] *chapter 84 of the laws of 1954,*  
 26 such benefits shall be payable at age 60.

27 The death benefit provided in section 48[(d)](c) of [the act to  
28 which this act is a supplement] *chapter 84 of the laws of 1954* shall  
29 apply in the case of any member retiring under the provisions of  
30 this section.

1 41. Section 1 of P. L. 1955, c. 261 (C. 43:15A-108) is amended to  
2 read as follows:

3 1. a. For the purpose of [section] *sections 41 (c), 49 (e) and*  
4 *section 57 of chapter 84 of the public laws of 1954*, a member of  
5 the Public Employees' Retirement System shall be deemed to be  
6 [in service] *an active member (1) while he is disabled due to sick-*  
7 *ness or injury arising out of or in the course of his employment as*  
8 *a member to whom this chapter applies, is not engaged in any*  
9 *gainful occupation, and is receiving or entitled to receive periodic*  
10 *benefits (including any commutation of, or substitute for, such*  
11 *benefits) for loss of time on account of such disability under or by*  
12 *reason of workmen's compensation law, occupational disease law*  
13 *or similar legislation and has not retired or terminated his mem-*  
14 *bership; or (2) for a period of no more than 2 years while on official*  
15 *leave of absence without pay; provided that] if satisfactory*  
16 *evidence is presented to the [board] retirement system that such*  
17 *leave of absence without pay is due to the member's personal illness*  
18 *other than an illness to which (1) above applies.*

19 b. For the purposes of [section] *sections 41 (c), 49 (e) and section*  
20 *57 of chapter 84 of the public laws of 1954*, a member of the Public  
21 Employees' Retirement System shall be deemed to be [in service]  
22 *an active member for a period of not more than 1 year in the event*  
23 *of an official leave (1) due to the member's maternity or (2) to*  
24 *fulfill a residency requirement for an advanced degree, or (3) as*  
25 *a full time student at an institution of higher education and for a*  
26 *period of no more than 93 days while on official leave of absence*  
27 *without pay when such leave of absence is due to any reason other*  
28 *than illness.*

29 c. In order for a member of the Public Employees' Retirement  
30 System to be covered hereunder for the optional death benefits  
31 provided by section 57 of chapter 84 of the public laws of 1954,  
32 he shall continue to make contributions for same during the period  
33 such member is on official leave of absence without pay, except  
34 that when such official leave of absence without pay is due to illness,  
35 no contribution shall be required of the member during the period  
36 he is deemed to be [in service] *an active member* while on such  
37 leave of absence.

38 *If a member dies within 30 days after the date of retirement or*  
39 *the date of board approval, whichever is later, a death benefit shall*

40 *be payable only if he is deemed to be an active member in accord-*  
41 *ance with this section; provided, however, a member applying for*  
42 *disability benefits shall be deemed an active member if he was*  
43 *covered by the death benefit provisions of the act at the termina-*  
44 *tion of employment, filed the application for disability retirement*  
45 *with the retirement system within 30 days following such termina-*  
46 *tion of employment and dies within 30 days after the date of re-*  
47 *irement or the date of board approval, whichever is later.*

1 42. Section 2 of P. L. 1963, c. 19 (C. 43:15A-73.1) is amended to  
2 read as follows:

3 2. **[Each]** *A member may file a detailed statement of public*  
4 *employment in other States, rendered by him prior to becoming*  
5 *a member, for which he desires credit and on account of which he*  
6 *desires to contribute, and of such other facts as the retirement*  
7 *system may require. He may be permitted to purchase credit for*  
8 *the service evidenced therein up to the nearest number of years*  
9 *and months, but not exceeding 10 years. No application shall be*  
10 *accepted for the purchase of credit for such service, however, if,*  
11 *at the time of application, the member has a vested right to retire-*  
12 *ment benefits in another retirement system based in whole or in*  
13 *part upon that service.*

14 The member may **[obtain]** *purchase credit for such service by*  
15 **[making payments on the basis of tables furnished by the actuary**  
16 *either in a lump sum or in installments in accordance with the rules*  
17 *of the board of trustees governing such purchases]* *paying into the*  
18 *annuity savings fund the amount required by applying the factor,*  
19 *supplied by the actuary, as being applicable to his age at the time*  
20 *of the purchase to his salary at that time. Such purchase may be*  
21 *made in regular installments equal to at least 1/2 of the full normal*  
22 *contribution to the retirement system, over a maximum period of*  
23 *10 years.*

24 Any member electing to contribute toward such service, who  
25 retires prior to completing payments as agreed with the retirement  
26 system for the purchase of such service will receive pro rata credit  
27 for service purchased prior to the date of retirement, **[subject to**  
28 *the provisions of section 59 of this act,]* but if he so elects at the  
29 time of retirement, he may make such additional lump sum pay-  
30 ment at that time as will be necessary to provide full credit.

1 43. Section 28 of P. L. 1954, c. 84 (C. 43:15A-28) is amended to  
2 read as follows:

3 28. The special reserve fund shall be the fund to which **[all profits**  
4 *on the sale of securities and]* any earnings in excess of the amounts  
5 annually allowed under the provisions of section 33 of this act shall

6 be transferred. No additional amounts shall be credited to the  
7 special reserve fund at any time when the total accumulations in  
8 such fund shall equal 1% of the book value of the investments of  
9 the retirement system. In this event, any such excess shall be  
10 credited to the contingent reserve fund. All losses from the sale  
11 of securities shall be charged against the special reserve fund. *The*  
12 *special reserve fund shall be considered for valuation purposes by*  
13 *the actuary as an asset of the retirement system.*

1 44. Section 25 of P. L. 1966, c. 217 (C. 43:15A-57.1) is amended  
2 to read as follows:

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

12 If more than one beneficiary is nominated and in such nomination  
13 the member or retirant has failed to specify their respective in-  
14 terests, the beneficiaries shall share equally. If any beneficiary  
15 predeceases the member or retirant, the interest of such beneficiary  
16 shall terminate and shall be shared equally by such of the bene-  
17 ficiaries as survive the member or retirant, unless the member or  
18 retirant has made written request to the contrary in his beneficiary  
19 nomination.

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

23 Except with regard to the payment of the member's accumulated  
24 deductions with regular interest and the payment, upon the death  
25 of (1) a retirant after attaining the age of 60 *or receiving an al-*  
26 *lowance pursuant to section 41 (b) of chapter 84 of the laws of 1954,*  
27 *or (2) a member after attaining the age of 70 years, of the death*  
28 *benefits provided in sections 38, 41, 45, 56, 48, 49 (e) and 57 of [the*  
29 *act to which this section is a supplement] chapter 84 of the laws*  
30 *of 1954, a member may elect, by making written request to the*  
31 *retirement system, that the whole or any part of his death benefits*  
32 *be made payable [in accordance with rules and regulations of the*  
33 *board of trustees] to his beneficiary either as a life annuity or in*  
34 *equal [annual] installments over a period of years specified in*  
35 *such election, and may alter such election from time to time during*

36 his lifetime by again making such written request. In the event  
 37 of a change of beneficiary, any previous arrangement by the mem-  
 38 ber or retirant under this paragraph shall be void. The election  
 39 set forth in this paragraph shall not apply or be available when  
 40 the beneficiary is an estate, or a corporation, partnership, associa-  
 41 tion, institution, trustee, or any fiduciary.

42 If, at the member's or retirant's death, an amount of death bene-  
 43 fit would be payable to the beneficiary in a single sum, any election  
 44 with regard to such amount which was available to the member  
 45 or retirant immediately prior to his death in accordance with the  
 46 provisions of the immediately preceding paragraph shall then be  
 47 available to such beneficiary for the benefit of such beneficiary.

48 **【The provisions of this section shall be construed separately**  
 49 **with respect to each of the death benefits for which a beneficiary**  
 50 **is designated by the member or retirant.】**

1 45. Section 27 of P. L. 1966, c. 217 (C. 43:15A-57.2) is amended  
 2 to read as follows:

3 27. If a former member of the State Employees' Retirement  
 4 System or the retirement system, who has been granted a retire-  
 5 ment allowance for any cause other than disability, becomes em-  
 6 ployed again in a position which makes him eligible to be a member  
 7 of the retirement system, **【the pension portion of】** his retirement  
 8 allowance**【, together with any optional selection pursuant to sec-**  
 9 **tion 50 of the act to which this section is a supplement】** and the  
 10 right to any death benefit as a result of his former membership,  
 11 shall be **【suspended】**  *canceled* until he again retires.

12 Such person shall be reenrolled in the retirement system and  
 13 shall contribute thereto at a rate based on his age at the time of  
 14 reenrollment. Such person shall be treated as an active member  
 15 for determining disability or death benefits while in service and  
 16 no benefits pursuant to an optional selection with respect to his  
 17 former membership shall be paid if his death shall occur during  
 18 the period of such reenrollment.

19 Upon subsequent retirement of such member, **【the pension por-**  
 20 **tion of】** his former retirement allowance shall**【, subject to the**  
 21 **provisions of section 59 of the act to which this section is a sup-**  
 22 **plement,】** be reinstated together with any optional selection, **【pur-**  
 23 **suant to section 50,】** based on his former membership. In addition,  
 24 **【such member】**  *he* shall receive an additional retirement allow-  
 25 ance**【,】**  *based on his subsequent service as a member* computed in  
 26 accordance with applicable provisions of **【the act to which this**  
 27 **section is a supplement including the reduction provided by sec-**  
 28 **tion 59 and the optional privileges of section 50】**  *chapter 84 of the*

29 *laws of 1954*; provided, however, that his total retirement allow-  
 30 ance upon such subsequent retirement shall not be a greater pro-  
 31 portion of his final compensation than the proportion to which he  
 32 would have been entitled had he remained in service during the  
 33 period of his prior retirement. Any death benefit to which such  
 34 member shall be eligible shall be based on his latest retirement,  
 35 but shall not be less than the death benefit that was applicable to  
 36 his former retirement.

1 46. Section 28 of P. L. 1966, c. 217 (C. 43:15A-25.1) is amended  
 2 to read as follows:

3 28 a. If any member of the retirement system receives periodic  
 4 benefits payable under the Workmen's Compensation Law during  
 5 the course of his active service, in lieu of his normal compensation,  
 6 his regular salary deductions shall be paid to the retirement sys-  
 7 tem by his employer. Such payments shall be computed, *in ac-*  
 8 *cordance with section 25 of chapter 84 of the laws of 1954*, at the  
 9 **[full]** rate of contribution on the base salary subject to the retire-  
 10 ment system, just prior to the receipt of the workmen's compen-  
 11 sation benefits. The moneys paid by the employer shall be credited  
 12 to the member's account in the annuity savings fund and shall be  
 13 treated as employee contributions for all purposes. The employer  
 14 will terminate the payment of these moneys when the periodic  
 15 benefits payable under the Workmen's Compensation Law are  
 16 terminated *or when the member retires*.

17 The member for whom the employer is making such payments,  
 18 will be considered as if he were in the active service and shall be  
 19 permitted to continue to make contributions to purchase the ad-  
 20 ditional death benefit coverage provided by section 57 of **[the act**  
 21 **to which this section is a supplement]** *chapter 84 of the laws of*  
 22 *1954*.

23 b. **[No]** *An application for retirement benefits may be approved*  
 24 *by the board of trustees while the member, applying for such bene-*  
 25 *fits, is in receipt of periodic benefits under the Workmen's Com-*  
 26 *ensation Law. In this event the actuarial equivalent of such peri-*  
 27 *odic benefits remaining to be paid shall be computed and will serve*  
 28 *to reduce the pension portion of the retirement allowance payable*  
 29 *to the retirant, subject to the provisions of section 64 of chapter*  
 30 *84 of the laws of 1954*.

1 47. a. Any person entitled to become a member of the Public Em-  
 2 ployees' Retirement System shall not be allowed any of the death  
 3 benefits established by sections 38, 41, 45, 46, 48 and 49 e, of chapter  
 4 84 of the laws of 1954, and by this act, if on the date he files an ap-  
 5 plication for membership he is 60 or more years of age or if he

6 makes application for membership beyond the year after he first  
7 became eligible for membership, regardless of age, unless the mem-  
8 ber furnishes satisfactory evidence of insurability and on the  
9 effective date of his membership is actively at work and performing  
10 all his regular duties at his customary place of employment.

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

14 b. Such evidence of insurability will not be required of any per-  
15 son becoming a member of the Public Employees' Retirement Sys-  
16 tem upon transfer from another State administered retirement  
17 system, if such system provided death benefits of a similar nature  
18 and the transferring member was covered by such benefits at the  
19 time of transfer. If such transferring member was not covered by  
20 such benefits at the time of the transfer, he may be allowed the death  
21 benefits of the Public Employees' Retirement System subject to the  
22 provisions of subsection a. of this section; provided, however, that  
23 any such member must furnish satisfactory evidence of insurability  
24 under the provisions of subsection a. of this section if he had been  
25 unable or failed to give such evidence as a member of the system  
26 from which he transferred.

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

1 48. a. In the case of any person who was required to become a  
2 member of the retirement system as a condition of employment,  
3 and whose application for enrollment in the retirement system or  
4 whose application for transfer from one employer to another within  
5 the system was filed beyond the effective date for his compulsory  
6 enrollment in the system or his transfer within the system, such per-  
7 son shall be required to purchase membership credit for his compul-  
8 sory coverage by paying into the annuity savings fund the amount  
9 required by applying, in accordance with section 25 of chapter 84  
10 of the laws of 1954, his rate of contribution on his current base  
11 salary subject to the retirement system for each year of previous  
12 service during which he was required to have been a member.

13 b. If more than 1 year has elapsed from the time that contribu-  
14 tions would have been required from such person,  $\frac{1}{2}$  of the em-  
15 ployee's cost, established by the computation provided by sub-  
16 section a. of this section, will be required of his employer and shall  
17 be included in the next budget subsequent to the certification of this

18 special liability by the retirement system. The amount certified by  
19 the system shall be payable by the employer to the contingent re-  
20 serve fund and shall be due and owing to the system even if the  
21 employee is no longer in the employ of the employer by the date  
22 such moneys are to be paid to the system.

23 c. The employees' obligation may be satisfied by regular install-  
24 ments, equal to at least  $\frac{1}{2}$  the normal contribution to the retirement  
25 system, over a maximum period of 10 years but not more than 2  
26 years in the case of any employee who has attained or will attain  
27 age 60 within the 2-year period.

28 d. In the case of any person coming under the provisions of this  
29 section, full pension credit for the period of employment for which  
30 arrears are being paid by the employee shall be given upon the  
31 payment of at least  $\frac{1}{2}$  of the total employee's arrearage obligation  
32 and the completion of 1 year of membership and the making of such  
33 arrears payments, except that in the case of retirement pursuant  
34 to sections 38, 41 (b), 48 and 61 of chapter 84 of the laws of 1954,  
35 the total membership credit for such service shall be in direct pro-  
36 portion as the amount paid bears to the total amount of the  
37 arrearage obligation of the employee.

1 49. The accrued liability contribution of any public employer  
2 adopting the retirement system after July 1, 1971 for the purpose of  
3 providing prior service credit for the service rendered prior to  
4 July 1, 1966, shall be payable by the employer to the contingent  
5 reserve fund over a period of not less than 25 years following the  
6 initial valuation of such liability by the actuary of the retirement  
7 system.

1 50. a. As stipulated in subsections b., c. and d. of this section,  
2 eligibility of a member of the Judiciary for the retirement benefits  
3 of the retirement system shall not be terminated on account of his  
4 being appointed to the Supreme, Superior or County Courts of  
5 New Jersey until such judge shall become eligible for the benefits  
6 of the pension plan established for such members of the Judiciary,  
7 but in no event shall any judge, his dependent or his beneficiary be  
8 eligible to receive both the benefits of the retirement system estab-  
9 lished by chapter 84 of the laws of 1954 and those provided by the  
10 pension plan established for such members of the Judiciary.

11 b. Any such judge, shall, upon his request, receive a refund of his  
12 accumulated deductions as of the date of his appointment to the  
13 Supreme, Superior or County Courts. Such refund of contributions  
14 shall serve as a waiver of all benefits payable to the judge, his  
15 dependent or his beneficiary by the retirement system.



16 c. If any such judge shall be eligible for retirement benefits as  
17 of the date of his appointment to the Supreme, Superior or County  
18 Courts, he may elect to receive the annuity portion of his retire-  
19 ment allowance while serving as such judge, provided, however,  
20 that if any such judge shall subsequently elect to receive the benefits  
21 of the pension plan established for members of the Supreme,  
22 Superior or County Courts, all rights to retirement and death  
23 benefits of the retirement system shall thereby be waived, except  
24 as hereinafter provided by subsection d. of this section.

25 d. If any such judge elects to receive the benefits of the pension  
26 plan established for members of the Supreme, Superior or County  
27 Courts after having received retirement benefits from the retire-  
28 ment system, such judge shall be entitled to receive the value of  
29 his accumulated deductions reduced by the total amount of the  
30 benefits received from the system.

31 If any such judge dies in service after his appointment to the  
32 Supreme, Superior or County Courts and after having received  
33 retirement benefits from the retirement system, his beneficiary may  
34 elect to receive the survivor benefits available upon the death of  
35 such retired member or the death benefits provided by the pension  
36 plan established for members of the Supreme, Superior or County  
37 Courts. In the event of the election of the latter, such election shall  
38 constitute a waiver of all rights to survivor benefits payable by the  
39 Public Employees' Retirement System and his beneficiary shall be  
40 entitled to receive the value of the judge's accumulated deductions  
41 reduced by the amount of the benefits received by the judge from  
42 the system.

1 51. P. L. 1954, c. 84 s. 40 (C. 43:15A-40) and P. L. 1968, c. 146  
2 (C. 43:15A-9.1) are hereby repealed.

1 52. This act shall take effect immediately.

S 2203

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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FROM THE OFFICE OF THE GOVERNOR

JUNE 17, 1971

FOR RELEASE:  
IMMEDIATE

Governor William T. Cahill today signed into law a bill providing an additional \$3 million in benefits for members of the Public Employees Retirement System.

Under Senate Bill 2203, sponsored by Senator Raymond H. Bateman (R., Somerset), the following series of major benefits is provided for the 120,000 members of PERS:

Pension benefits will be calculated on the highest three years of salary rather than on the five year average; the decrease in benefits for "early" retirement is reduced from 6% to 3% for each year below the age of 60; non-contributory death benefits will be provided for members on early retirement; and accidental death benefits will include the payment of non-contributory as well as contributory benefits.

In signing the bill Cahill stressed that the additional benefits will be provided without cost to the State because of a change in the financing period of the employers contribution to the retirement fund from the present 30 year period to 40 years.

Speaking to a group of school children attending the public ceremony, the Governor said that New Jersey is fortunate in having responsible and responsive public employees. He pointed out that New Jersey has not suffered from employee problems that have endangered the health of its citizens or caused public inconvenience such as recent strikes that closed bridges and sewerage treatment plants in New York. He added that the new law as well as recent measures which improve the salaries of public employees expresses the State's appreciation of the dedicated services of these public employees.

The Governor added that the new legislation is part of a continuing effort by the State to improve working conditions and increase benefits for public employees.