

ASSEMBLY, No. 1563

STATE OF NEW JERSEY

INTRODUCED NOVEMBER 20, 1972

By Assemblymen KLEIN, PELLECCCHIA, SINSIMER, J. HORN,  
BURSTEIN, BAER, PARETI, ORECHIO, DENNIS, HICKS  
and ESPOSITO

Referred to Committee on Insurance

AN ACT imposing a tax upon certain employers for the benefit of  
employees with nonvested pension rights.

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

1 1. This act shall be known and may be cited as "The Emergency  
2 Pension Act of 1972."

1 2. As used in this act:

2 a. "Employer" means any person, firm or corporation who  
3 employs 10 or more people within this State.

4 b. "Place of employment" means any location within this State  
5 at which 10 or more persons are employed.

6 c. "Nonvested pensions" means all amounts which an employee  
7 would have been entitled to receive from the employer only upon  
8 retirement, if such employment had been permitted until retire-  
9 ment, multiplied by a fraction, the denominator of which shall be  
10 the number of years required for retirement and the numerator  
11 of which shall be the number of full years that such employee was  
12 employed by the employer.

13 d. "Employee" means any person employed at the place of  
14 employment during the year prior to the date when the employer  
15 ceases to operate the place of employment.

1 3. There is hereby assessed upon every employer, who hereafter  
2 ceases to operate a place of employment within this State, a tax  
3 which shall be equal to the lesser of the following:

4 a. The employer's highest weekly payroll at the place of employ-  
5 ment during the calendar year next preceding the date when the  
6 employer ceases to operate such place of employment, multiplied  
7 by 52.

8     b. The amount of all nonvested pensions of all persons employed  
9 by such employer during the year prior to the date the employer  
10 ceases to operate such place of employment.

1     4. This tax shall be due and payable on the date that the employer  
2 ceases to operate its place of employment and shall be a lien upon  
3 all of the employer's assets within this State. Such tax shall be  
4 paid to the Director of the Division of Taxation when due and  
5 payable.

1     5. For the purpose of this act, the date when the employer ceases  
2 to operate the place of employment shall be the date upon which  
3 the employer reduces its total weekly payroll at the place of employ-  
4 ment to less than 10% of its highest weekly payroll during the  
5 preceding calendar year.

1     6. All revenues collected under this act shall be paid to employees  
2 to the extent of each such employee's nonvested pension rights.

1     7. The Director of the Division of Taxation shall be authorized  
2 to promulgate rules and regulations for the collection and assess-  
3 ment of the tax imposed by this act.

1     8. All claims for nonvested pension shall be made to the Com-  
2 missioner of Labor and Industry who shall be authorized to  
3 promulgate rules and regulations for the making and payment of  
4 such claims.

1     9. This act shall take effect immediately.

ASSEMBLY AMENDMENTS TO  
**ASSEMBLY, No. 1563**

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**STATE OF NEW JERSEY**  
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ADOPTED NOVEMBER 29, 1972

Amend page 1, section 2, line 3, omit "10", insert "50".

Amend page 1, section 2, line 5, omit "10", insert "50".

[OFFICIAL COPY REPRINT]  
ASSEMBLY, No. 1563

STATE OF NEW JERSEY

INTRODUCED NOVEMBER 20, 1972

By Assemblymen KLEIN, PELLECCCHIA, SINSIMER, J. HORN,  
BURSTEIN, BAER, PARETI, ORECHIO, DENNIS, HICKS  
and ESPOSITO

Referred to Committee on Insurance

AN ACT imposing a tax upon certain employers for the benefit of  
employees with nonvested pension rights.

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

1 1. This act shall be known and may be cited as "The Emergency  
2 Pension Act of 1972."

1 2. As used in this act:

2 a. "Employer" means any person, firm or corporation who  
3 employs **\*[10]\* \*50\*** or more people within this State.

4 b. "Place of employment" means any location within this State  
5 at which **\*[10]\* \*50\*** or more persons are employed.

6 c. "Nonvested pensions" means all amounts which an employee  
7 would have been entitled to receive from the employer only upon  
8 retirement, if such employment had been permitted until retire-  
9 ment, multiplied by a fraction, the denominator of which shall be  
10 the number of years required for retirement and the numerator  
11 of which shall be the number of full years that such employee was  
12 employed by the employer.

13 d. "Employee" means any person employed at the place of  
14 employment during the year prior to the date when the employer  
15 ceases to operate the place of employment.

1 3. There is hereby assessed upon every employer, who hereafter  
2 ceases to operate a place of employment within this State, a tax  
3 which shall be equal to the lesser of the following:

4 a. The employer's highest weekly payroll at the place of employ-  
5 ment during the calendar year next preceding the date when the  
6 employer ceases to operate such place of employment, multiplied  
7 by 52.

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

8     b. The amount of all nonvested pensions of all persons employed  
9 by such employer during the year prior to the date the employer  
10 ceases to operate such place of employment.

1     4. This tax shall be due and payable on the date that the employer  
2 ceases to operate its place of employment and shall be a lien upon  
3 all of the employer's assets within this State. Such tax shall be  
4 paid to the Director of the Division of Taxation when due and  
5 payable.

1     5. For the purpose of this act, the date when the employer ceases  
2 to operate the place of employment shall be the date upon which  
3 the employer reduces its total weekly payroll at the place of employ-  
4 ment to less than 10% of its highest weekly payroll during the  
5 preceding calendar year.

1     6. All revenues collected under this act shall be paid to employees  
2 to the extent of each such employee's nonvested pension rights.

1     7. The Director of the Division of Taxation shall be authorized  
2 to promulgate rules and regulations for the collection and assess-  
3 ment of the tax imposed by this act.

1     8. All claims for nonvested pension shall be made to the Com-  
2 missioner of Labor and Industry who shall be authorized to  
3 promulgate rules and regulations for the making and payment of  
4 such claims.

1     9. This act shall take effect immediately.

SENATE LABOR, INDUSTRY AND PROFESSIONS  
COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 1563**

[OFFICIAL COPY REPRINT]

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**STATE OF NEW JERSEY**

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DATED: FEBRUARY 22, 1973

The purpose of this bill is to protect the nonvested pension rights of employees whose employer ceases to operate a place of employment within this State.

To carry out this purpose the bill would impose a tax upon every employer who ceases to operate a place of employment within this State. The amount of the tax would be the lesser of either the employer's highest weekly payroll during the calendar year preceding the date of cessation of operations multiplied by 52, or the amount of all nonvested pensions of all persons employed by the employer during the year prior to cessation of operations. The tax would be assessed and collected by the Division of Taxation.

The revenues collected from the tax would be paid to employees to the extent of their nonvested pension rights in accordance with rules and regulations promulgated by the Commissioner of Labor and Industry.

The committee is reporting the bill by a committee substitute because of extensive changes in the bill it felt were necessary. The changes over the original bill contained in the committee substitute are as follows:

1. The number of employees used to define both "employer" and "place of employment" is increased from 50 to 500;
2. A definition of "ceases to operate a place of employment" which takes into account businesses of a seasonal nature is added in place of the provision in the original bill which equated a reduction in payroll to 10% of the highest weekly payroll during the preceding calendar to cessation of business.
3. Definitions of "normal retirement benefit," "accrued portion of the normal retirement benefit," "covered service," "vested right" and "nonvested pension benefits" are added to provide a specific definition of "nonvested pension benefit."

4. The amount of the tax is changed to the total amount of nonvested pension benefits of such employees who have completed 15 years of covered service under the employer's pension plan and whose employment was or will be terminated because of the employer's ceasing to operate a place of employment within the State and whose nonvested pension benefits have been or will be forfeited by such termination of employment, less the amount of any nonvested pension benefits compromised or settled to the satisfaction of the Commissioner of Labor and Industry.

5. More detailed provisions relative to the determination of the tax liability, its assessment and collection, and the disposition of the tax revenues are provided.

6. The funds of an employer set aside or reserved for vested pension benefits are exempted from seizure or being taken by virtue of any execution or civil process for collection of the tax.

7. The operation of the act is made to expire after July 1, 1974.

SENATE COMMITTEE SUBSTITUTE FOR

*Action on SCS  
Rescinded 3-19-73*

**ASSEMBLY, No. 1563**

[OFFICIAL COPY REPRINT]

**STATE OF NEW JERSEY**

ADOPTED FEBRUARY 22, 1973

AN ACT imposing a tax upon certain employers, providing for the assessment and collection thereof, and providing for disposition of the revenues derived therefrom.

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

1 1. This act shall be known and may be cited as the "Private  
2 Nonvested Pension Benefits Protection Tax Act."

1 2. As used in this act:

2 a. "Commissioner" means the Commissioner of Labor and  
3 Industry.

4 b. "Employer" means any person, firm or corporation who em-  
5 ploys 500 or more people within this State.

6 c. "Employee" means any person employed at the place of  
7 employment during the year prior to the date when the employer  
8 ceases to operate the place of employment.

9 d. "Place of employment" means any location within this State  
10 at which 500 or more persons are employed.

11 e. "Ceases to operate a place of employment" means the com-  
12 plete termination of operations at a place of employment, or a  
13 substantial reduction in the number of employees at a place of  
14 employment as part of a plan or in connection with an intent to  
15 move the business operations at such place of employment outside  
16 of the State. Substantial fluctuations in the number of employees  
17 of an employer whose business is of a seasonal nature shall not  
18 be deemed to be a ceasing to operate a place of employment except  
19 to the extent that a substantial reduction in the number of em-  
20 ployees of such an employer is attributable to a plan or intention  
21 to move the business operations of such an employer outside of  
22 the State.

23 f. "Pension plan" means any plan, fund or program which is  
24 established, maintained or entered into by an employer for the



25 purpose of providing for its employees, or their beneficiaries, re-  
26 tirement benefits.

27 g. "Normal retirement benefit" means that benefit payable under  
28 a pension plan in the event of retirement at the normal retirement  
29 age as prescribed by the plan.

30 h. "Accrued portion of the normal retirement benefit" means  
31 the amount of benefit credited by the employer to the account of  
32 an employee participating in a pension plan, or where there is no  
33 such credit, that portion of the normal retirement benefit to which  
34 the commissioner determines actuarially the employee should be  
35 entitled based on the covered service of the employee, as of the  
36 date of termination of employment.

37 i. "Covered service" means periods of employment with an em-  
38 ployer which are recognized under the terms of the employer's  
39 pension plan for the purposes of determining an employee's  
40 eligibility to receive benefits under the plan or the amount of such  
41 benefits.

42 j. "Vested right" means a nonforfeitable, legal right obtained  
43 by an employee participating in a pension plan to that part of an  
44 immediate or deferred pension benefit which arises from the em-  
45 ployee's covered service under the plan and is no longer contingent  
46 on the employee remaining covered under the plan.

47 k. "Nonvested pension benefit" means the accrued portion of  
48 the normal retirement benefit of an employee participating in a  
49 pension plan to which the employee does not have a vested right.

1 3. There is hereby assessed upon every employer who ceases to  
2 operate a place of employment within this State a tax in an amount  
3 equal to the total amount of nonvested pension benefits of such  
4 employees of the employer who have completed 15 years of covered  
5 service under the pension plan of the employer and whose employ-  
6 ment was or will be terminated because of the employer's ceasing  
7 to operate a place of employment within this State and whose non-  
8 vested pension benefits have been or will be forfeited because of  
9 such termination of employment, less the amount of such nonvested  
10 pension benefits which are compromised or settled to the satisfac-  
11 tion of the commissioner as provided in this act.

1 4. Any employer who intends to cease to operate a place of em-  
2 ployment within this State shall notify the commissioner of such  
3 intention not later than 6 months prior to the date the employer  
4 intends to cease to operate its place of employment. In the case of  
5 an employer who intends to cease to operate a place of employment  
6 within this State within 6 months of the effective date of this act,  
7 the notice required by this section shall be given by the employer

8 as soon as practicable, but not later than 10 days, after the effective  
9 date of this act.

1 5. Upon receipt of such notification, or upon his own initiative  
2 when such notification is not given as required, the commissioner  
3 shall cause an investigation to be made of the employer to deter-  
4 mine the number of employees who have completed 15 years of  
5 covered service under the pension plan of the employer and whose  
6 employment was or will be terminated because of the employer's  
7 ceasing to operate a place of employment within this State and  
8 whose nonvested pension benefits have been or will be forfeited  
9 by such termination of employment, the amounts of any nonvested  
10 pension benefits, if any, of such employees, and any other facts  
11 or circumstances concerning the employer, his employees and the  
12 pension plan for such employees as may be necessary or useful to  
13 the commissioner to carry out his duties and responsibilities under  
14 this act. The investigation, insofar as practicable, shall be conducted  
15 at the employer's place of employment during normal business  
16 hours. The employer shall cooperate fully with the commissioner  
17 in such investigation, and shall make available to him any books,  
18 records or other information necessary or useful to such investiga-  
19 tion. To aid in such investigations, the commissioner is authorized  
20 to administer oaths and affirmations and to issue subpoenas to  
21 compel the attendance of witnesses or the production of books,  
22 records or other documents. The commissioner may seek, through  
23 the Attorney General acting on his behalf, orders from any court  
24 of competent jurisdiction to compel an employer to comply with  
25 the provisions of this act and to punish disobedience of any subpoena  
26 issued pursuant to this act.

1 6. As part of the investigation of an employer, the commissioner  
2 shall determine the amount of nonvested pension benefits which  
3 have been compromised or settled to his satisfaction. Nonvested  
4 pension benefits may be compromised or settled by:

5 a. Agreement between the employer and employee which is  
6 mutually understood by both parties to be a complete and final  
7 satisfaction of such benefits; or

8 b. A provision in a collective bargaining agreement to which both  
9 the employer and employee are a party concerning the disposition  
10 of pension benefits in case the employer ceases to operate a place  
11 of employment, or providing a benefit to the employee contingent  
12 upon the employer ceasing to operate a place of employment.

1 7. After the investigation of the employer, the commissioner  
2 shall certify to the Director of the Division of Taxation the total  
3 amount of nonvested pension benefits which are includable in

4 determining an employer's tax liability under this act and the  
5 amount of such benefits which have been compromised or settled  
6 to the satisfaction of the commissioner. The director shall deter-  
7 mine the amount of an employer's tax liability under this act and  
8 shall notify the employer of the amount of the tax. The tax shall  
9 be due and payable to the director on the date that the employer  
10 ceases to operate its place of employment and shall be a lien upon  
11 all of the employer's assets within this State. If the tax is not  
12 paid when due, the employer shall be liable for interest on the  
13 amount due at the rate of 6% per annum until the tax and interest  
14 are paid.

1 8. The commissioner shall maintain a separate record of each  
2 employee of an employer taxed under this act who had completed  
3 15 years of covered service under the pension plan of the employer  
4 and whose employment was terminated because of the employer's  
5 ceasing to operate a place of employment within this State and  
6 whose nonvested pension benefits were forfeited by such termina-  
7 tion of employment and were not compromised or settled. Each  
8 such employee shall be entitled to make a claim, in the form and  
9 manner prescribed by the commissioner, for an immediate payment  
10 of the current value of his nonvested pension benefits or a deferred  
11 pension benefit, and to receive such payment or benefit in accord-  
12 ance with the rules and regulations promulgated by the  
13 commissioner.

1 9. For the purposes of this act, the employment of any employee  
2 terminated within 1 year, or within such longer period as prescribed  
3 by the commissioner when he determines that an employer is  
4 attempting to evade the provisions of this act, of the date an em-  
5 ployer ceases to operate a place of employment within this State  
6 shall be deemed to have been terminated because of the employer's  
7 ceasing to operate its place of employment, unless the employer can  
8 conclusively show that the termination was attributable to some  
9 other cause.

1 10. The commissioner may promulgate rules and regulations to  
2 provide for the efficient administration of the provisions of this  
3 act applicable to him, or to clarify such provisions as may be  
4 necessary to effectuate the purposes of this act. The commissioner  
5 may use the facilities and personnel of the Department of Labor  
6 and Industry, and any appropriations available to carry out his  
7 duties and responsibilities under this act.

1 11. The Director of the Division of Taxation is authorized to  
2 promulgate rules and regulations for the assessment and collection  
3 of the tax imposed by this act.

1 12. The funds of any employer which are set aside or reserved  
2 for benefits under a pension plan of the employer to which em-  
3 ployees have a vested right shall not be liable to be seized or taken  
4 by virtue of any execution or civil process whatever, issued out of  
5 any court of this State, for the collection of the tax imposed by  
6 this act.

1 13. This act shall take effect immediately, and shall expire and  
2 be inoperative after July 1, 1974.

SENATE COMMITTEE AMENDMENTS TO  
**ASSEMBLY, No. 1563**

[OFFICIAL COPY REPRINT]

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**STATE OF NEW JERSEY**

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ADOPTED MARCH 19, 1973

Amend page 1, title, line 2, after "rights", insert "and providing for the assessment and collection thereof, and disposition of the revenues derived therefrom".

Amend page 1, section 1, lines 1, 2, omit "The Emergency Pension Act of 1972", insert "the 'Private Nonvested Pension Benefits Protection Tax Act'".

Amend page 1, section 2, line 3, omit "50", insert "500"; after "State", insert "at any time within 1 year prior to the date that it ceases to operate a place of employment."

Amend page 1, section 2, line 5, omit "50", insert "500"; after "employed", insert "at any time within 1 year prior to the date that the employer ceases to operate at such location".

Amend page 1, section 2, lines 6-12, omit.

Amend page 1, section 2, line 13, omit "d", insert "c".

Amend page 1, section 2, line 15, after line 15, insert new subsections d. through k. to read as follows:

"d. 'Commissioner' means the Commissioner of Labor and Industry.

e. 'Ceases to operate a place of employment' means either the complete termination of operations at a place of employment or a substantial reduction in the number of employees at a place of employment as part of a plan or in connection with an intent to move the business operations at such place of employment outside of the State. Substantial fluctuations in the number of employees of an employer whose business is of a seasonal nature shall not be deemed to be a ceasing to operate a place of employment except to the extent that a substantial reduction in the number of employees of such an employer is attributable to a plan or intention to move the business operations of such an employer outside of the State. When an employer ceases to operate a place of employment but offers to retain all of the employees at another location within the State, this act shall not apply.

f. 'Pension plan' means any plan, fund or program which is established, maintained or entered into by an employer for the purpose of providing for its employees, or their beneficiaries, retirement benefits.

g. 'Normal retirement benefit' means that benefit payable under a pension plan in the event of retirement at the normal retirement age as prescribed by the plan.

h. 'Accrued portion of the normal retirement benefit' means the amount of benefit credited by the employer to the account of an employee participating in a pension plan, or where there is no such credit, that portion of the normal retirement benefit to which the commissioner determines actuarially the employee should be entitled based on the covered service of the employee, as of the date of termination of employment.

i. 'Covered service' means periods of employment with an employer which are recognized under the terms of the employer's pension plan for the purposes of determining an employee's eligibility to receive benefits under the plan or the amount of such benefits.

j. 'Vested right' means a nonforfeitable, legal right obtained by an employee participating in a pension plan to that part of an immediate or deferred pension benefit which arises from the employee's covered service under the plan and is no longer contingent on the employee remaining covered under the plan.

k. 'Nonvested pension benefit' means the accrued portion of the normal retirement benefit of an employee participating in a pension plan to which the employee does not have a vested right."

Amend page 1, section 3, line 3, after "equal to the", omit "lesser of the following".

Amend pages 1, 2, section 3, lines 4-10, omit.

Amend page 2, section 3, line 10, after "employment", insert "total amount of nonvested pension benefits of such employees of the employer who have completed 15 years of covered service under the pension plan of the employer and whose employment was or will be terminated because of the employer's ceasing to operate a place of employment within this State and whose nonvested pension benefits have been or will be forfeited because of such termination of employment, less the amount of such nonvested pension benefits which are compromised or settled to the satisfaction of the commissioner as provided in this act".

Amend page 2, sections 4-9, omit sections 4 to 9 and insert:

"4. Any employer who intends to cease to operate a place of employment within this State shall notify the commissioner of such intention not later than 6 months prior to the date the employer intends to cease to operate its place of employment. In the case of

an employer who intends to cease to operate a place of employment within this State within 6 months of the effective date of this act, the notice required by this section shall be given by the employer as soon as practicable, but not later than 10 days, after the effective date of this act.

5. Upon receipt of such notification, or upon his own initiative when such notification is not given as required, the commissioner shall cause an investigation to be made of the employer to determine the number of employees who have completed 15 years of covered service under the pension plan of the employer and whose employment was or will be terminated because of the employer's ceasing to operate a place of employment within this State and whose nonvested pension benefits have been or will be forfeited by such termination of employment, the amounts of any nonvested pension benefits, if any, of such employees, and any other facts or circumstances concerning the employer, his employees and the pension plan for such employees as may be necessary or useful to the commissioner to carry out his duties and responsibilities under this act. The investigation, insofar as practicable, shall be conducted at the employer's place of employment during normal business hours. The employer shall cooperate fully with the commissioner in such investigation, and shall make available to him any books, records or other information necessary or useful to such investigation. To aid in such investigations, the commissioner is authorized to administer oaths and affirmations and to issue subpoenas to compel the attendance of witnesses or the production of books, records or other documents. The commissioner may seek, through the Attorney General acting on his behalf, orders from any court of competent jurisdiction to compel an employer to comply with the provisions of this act and to punish disobedience of any subpoena issued pursuant to this act.

6. As part of the investigation of an employer, the commissioner shall determine the amount of nonvested pension benefits which have been compromised or settled to his satisfaction. Nonvested pension benefits may be compromised or settled by:

a. Agreement between the employer and employee which is mutually understood by both parties to be a complete and final satisfaction of such benefits; or

b. A provision in a collective bargaining agreement to which both the employer and employee are a party concerning the disposition of pension benefits in case the employer ceases to operate a place of employment, or providing a benefit to the employee contingent upon the employer ceasing to operate a place of employment.

7. After the investigation of the employer, the commissioner shall certify to the Director of the Division of Taxation the total amount of nonvested pension benefits which are includable in determining an employer's tax liability under this act and the amount of such benefits which have been compromised or settled to the satisfaction of the commissioner. The director shall determine the amount of an employer's tax liability under this act and shall notify the employer of the amount of the tax. The tax shall be due and payable to the director on the date that the employer ceases to operate its place of employment and shall be a lien upon all of the employer's assets within this State. If the tax is not paid when due, the employer shall be liable for interest on the amount due at the rate of 6% per annum until the tax and interest are paid.

8. The commissioner shall maintain a separate record of each employee of an employer taxed under this act who had completed 15 years of covered service under the pension plan of the employer and whose employment was terminated because of the employer's ceasing to operate a place of employment within this State and whose nonvested pension benefits were forfeited by such termination of employment and were not compromised or settled. Each such employee shall be entitled to make a claim, in the form and manner prescribed by the commissioner, for an immediate payment of the current value of his nonvested pension benefits or a deferred pension benefit, and to receive such payment or benefit in accordance with the rules and regulations promulgated by the commissioner.

9. For the purposes of this act, the employment of any employee terminated within 1 year, or within such longer period as prescribed by the commissioner when he determines that an employer is attempting to evade the provisions of this act, of the date an employer ceases to operate a place of employment within this State shall be deemed to have been terminated because of the employer's ceasing to operate its place of employment, unless the employer can conclusively show that the termination was attributable to some other cause.

10. The commissioner may promulgate rules and regulations to provide for the efficient administration of the provisions of this act applicable to him, or to clarify such provisions as may be necessary to effectuate the purposes of this act. The commissioner may use the facilities and personnel of the Department of Labor and Industry, and any appropriations available to carry out his duties and responsibilities under this act.

11. The Director of the Division of Taxation is authorized to promulgate rules and regulations for the assessment and collection of the tax imposed by this act.



12. The funds of any employer which are set aside or reserved for benefits under a pension plan of the employer to which employees have a vested right shall not be liable to be seized or taken by virtue of any execution or civil process whatever, issued out of any court of this State, for the collection of the tax imposed by this act.

13. This act shall take effect immediately, and the tax imposed hereby shall expire and be inoperative after July 1, 1974.''

[SENATE REPRINT]

## ASSEMBLY, No. 1563

[OFFICIAL COPY REPRINT]

with Senate committee amendments adopted March 19, 1973

# STATE OF NEW JERSEY

INTRODUCED NOVEMBER 20, 1972

By Assemblymen KLEIN, PELLECCIA, SINSIMER, J. HORN,  
BURSTEIN, BAER, PARETI, ORECHIO, DENNIS, HICKS  
and ESPOSITO

Referred to Committee on Insurance

AN ACT imposing a tax upon certain employers for the benefit of  
employees with nonvested pension rights *\*\*and providing for the  
assessment and collection thereof, and disposition of the revenues  
derived therefrom\*\**.

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

1 1. This act shall be known and may be cited as **\*\*[“The Emer-**  
2 **gency Pension Act of 1972.”]\*\*** *\*\*The Private Nonvested Pension*  
3 *Benefits Protection Tax Act.\*\**

1 2. As used in this act:

2 a. “Employer” means any person, firm or corporation who  
3 employs **\*[10]\*** **\*\*[\*50\*]\*\*** *\*\*500\*\** or more people within this  
3A State *\*\*at any time within 1 year prior to the date that it ceases to*  
3B *operate a place of employment\*\**.

4 b. “Place of employment” means any location within this State  
5 at which **\*[10]\*** **\*\*[\*50\*]\*\*** *\*\*500\*\** or more persons are employed  
5A *\*\*at any time within 1 year prior to the date that the employer*  
5B *ceases to operate at such location\*\**.

6 **\*\*[c.]** “Nonvested pensions” means all amounts which an em-  
7 ployee would have been entitled to receive from the employer only  
8 upon retirement, if such employment had been permitted until re-  
9 tirement, multiplied by a fraction, the denominator of which shall be  
10 the number of years required for retirement and the numerator  
11 of which shall be the number of full years that such employee was  
12 employed by the employer.]\*\*

13 **\*\*[d.]\*\*** *\*\*c.\*\** “Employee” means any person employed at the  
14 place of employment during the year prior to the date when the  
15 employer ceases to operate the place of employment.

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

16     \*\*d. "Commissioner" means the Commissioner of Labor and  
17     Industry.

18     e. "Ceases to operate a place of employment" means either the  
19     complete termination of operations at a place of employment or a  
20     substantial reduction in the number of employees at a place of  
21     employment as part of a plan or in connection with an intent to  
22     move the business operations at such place of employment outside  
23     of the State. Substantial fluctuations in the number of employees  
24     of an employer whose business is of a seasonal nature shall not  
25     be deemed to be a ceasing to operate a place of employment except  
26     to the extent that a substantial reduction in the number of em-  
27     ployees of such an employer is attributable to a plan or intention  
28     to move the business operations of such an employer outside of  
29     the State. When an employer ceases to operate a place of employ-  
30     ment but offers to retain all of the employees at another location  
31     within the State, this act shall not apply.

32     f. "Pension plan" means any plan, fund or program which is  
33     established, maintained or entered into by an employer for the  
34     purpose of providing for its employees, or their beneficiaries, re-  
35     tirement benefits.

36     g. "Normal retirement benefit" means that benefit payable under  
37     a pension plan in the event of retirement at the normal retirement  
38     age as prescribed by the plan.

39     h. "Accrued portion of the normal retirement benefit" means  
40     the amount of benefit credited by the employer to the account of  
41     an employee participating in a pension plan, or where there is no  
42     such credit, that portion of the normal retirement benefit to which  
43     the commissioner determines actuarially the employee should be  
44     entitled based on the covered service of the employee, as of the  
45     date of termination of employment.

46     i. "Covered service" means periods of employment with an em-  
47     ployer which are recognized under the terms of the employer's  
48     pension plan for the purposes of determining an employee's  
49     eligibility to receive benefits under the plan or the amount of such  
50     benefits.

51     j. "Vested right" means a nonforfeitable, legal right obtained  
52     by an employee participating in a pension plan to that part of an  
53     immediate or deferred pension benefit which arises from the em-  
54     ployee's covered service under the plan and is no longer contingent  
55     on the employee remaining covered under the plan.

56     k. "Nonvested pension benefit" means the accrued portion of  
57     the normal retirement benefit of an employee participating in a

58 *pension plan to which the employee does not have a vested right.\*\**

1 3. There is hereby assessed upon every employer, who hereafter  
2 ceases to operate a place of employment within this State, a tax  
3 which shall be equal to the **\*\*[**lesser of the following:

4 a. The employer's highest weekly payroll at the place of employ-  
5 ment during the calendar year next preceding the date when the  
6 employer ceases to operate such place of employment, multiplied  
7 by 52.

8 b. The amount of all nonvested pensions of all persons employed  
9 by such employer during the year prior to the date the employer  
10 ceases to operate such place of employment.]\*\* *\*\*total amount of*  
11 *nonvested pension benefits of such employees of the employer who*  
12 *have completed 15 years of covered service under the pension plan*  
13 *of the employer and whose employment was or will be terminated*  
14 *because of the employer's ceasing to operate a place of employment*  
15 *within this State and whose nonvested pension benefits have been*  
16 *or will be forfeited because of such termination of employment,*  
17 *less the amount of such nonvested pension benefits which are*  
18 *compromised or settled to the satisfaction of the commissioner as*  
19 *provided in this act\*\*.*

1 **\*\*[**4. This tax shall be due and payable on the date that the em-  
2 ployer ceases to operate its place of employment and shall be a lien  
3 upon all of the employer's assets within this State. Such tax shall be  
4 paid to the Director of the Division of Taxation when due and  
5 payable.

1 5. For the purpose of this act, the date when the employer ceases  
2 to operate the place of employment shall be the date upon which  
3 the employer reduces its total weekly payroll at the place of employ-  
4 ment to less than 10% of its highest weekly payroll during the  
5 preceding calendar year.

1 6. All revenues collected under this act shall be paid to employees  
2 to the extent of each such employee's nonvested pension rights.

1 7. The Director of the Division of Taxation shall be authorized  
2 to promulgate rules and regulations for the collection and assess-  
3 ment of the tax imposed by this act.

1 8. All claims for nonvested pension shall be made to the Com-  
2 missioner of Labor and Industry who shall be authorized to  
3 promulgate rules and regulations for the making and payment of  
4 such claims.

1 9. This act shall take effect immediately.]\*\*

1 **\*\*4.** *Any employer who intends to cease to operate a place of em-*  
2 *ployment within this State shall notify the commissioner of such*

3 *intention not later than 6 months prior to the date the employer*  
4 *intends to cease to operate its place of employment. In the case of*  
5 *an employer who intends to cease to operate a place of employment*  
6 *within this State within 6 months of the effective date of this act,*  
7 *the notice required by this section shall be given by the employer*  
8 *as soon as practicable, but not later than 10 days, after the effective*  
9 *date of this act.*

1     5. *Upon receipt of such notification, or upon his own initiative*  
2 *when such notification is not given as required, the commissioner*  
3 *shall cause an investigation to be made of the employer to deter-*  
4 *mine the number of employees who have completed 15 years of*  
5 *covered service under the pension plan of the employer and whose*  
6 *employment was or will be terminated because of the employer's*  
7 *ceasing to operate a place of employment within this State and*  
8 *whose nonvested pension benefits have been or will be forfeited*  
9 *by such termination of employment, the amounts of any nonvested*  
10 *pension benefits, if any, of such employees, and any other facts*  
11 *or circumstances concerning the employer, his employees and the*  
12 *pension plan for such employees as may be necessary or useful to*  
13 *the commissioner to carry out his duties and responsibilities under*  
14 *this act. The investigation, insofar as practicable, shall be conducted*  
15 *at the employer's place of employment during normal business*  
16 *hours. The employer shall cooperate fully with the commissioner*  
17 *in such investigation, and shall make available to him any books,*  
18 *records or other information necessary or useful to such investiga-*  
19 *tion. To aid in such investigations, the commissioner is authorized*  
20 *to administer oaths and affirmations and to issue subpoenas to*  
21 *compel the attendance of witnesses or the production of books,*  
22 *records or other documents. The commissioner may seek, through*  
23 *the Attorney General acting on his behalf, orders from any court*  
24 *of competent jurisdiction to compel an employer to comply with*  
25 *the provisions of this act and to punish disobedience of any subpoena*  
26 *issued pursuant to this act.*

1     6. *As part of the investigation of an employer, the commissioner*  
2 *shall determine the amount of nonvested pension benefits which*  
3 *have been compromised or settled to his satisfaction. Nonvested*  
4 *pension benefits may be compromised or settled by:*

5     a. *Agreement between the employer and employee which is*  
6 *mutually understood by both parties to be a complete and final*  
7 *satisfaction of such benefits; or*

8     b. *A provision in a collective bargaining agreement to which both*  
9 *the employer and employee are a party concerning the disposition*

10 of pension benefits in case the employer ceases to operate a place  
11 of employment, or providing a benefit to the employee contingent  
12 upon the employer ceasing to operate a place of employment.

1 7. After the investigation of the employer, the commissioner  
2 shall certify to the Director of the Division of Taxation the total  
3 amount of nonvested pension benefits which are includable in  
4 determining an employer's tax liability under this act and the  
5 amount of such benefits which have been compromised or settled  
6 to the satisfaction of the commissioner. The director shall deter-  
7 mine the amount of an employer's tax liability under this act and  
8 shall notify the employer of the amount of the tax. The tax shall  
9 be due and payable to the director on the date that the employer  
10 ceases to operate its place of employment and shall be a lien upon  
11 all of the employer's assets within this State. If the tax is not  
12 paid when due, the employer shall be liable for interest on the  
13 amount due at the rate of 6% per annum until the tax and interest  
14 are paid.

1 8. The commissioner shall maintain a separate record of each  
2 employee of an employer taxed under this act who had completed  
3 15 years of covered service under the pension plan of the employer  
4 and whose employment was terminated because of the employer's  
5 ceasing to operate a place of employment within this State and  
6 whose nonvested pension benefits were forfeited by such termina-  
7 tion of employment and were not compromised or settled. Each  
8 such employee shall be entitled to make a claim, in the form and  
9 manner prescribed by the commissioner, for an immediate payment  
10 of the current value of his nonvested pension benefits or a deferred  
11 pension benefit, and to receive such payment or benefit in accord-  
12 ance with the rules and regulations promulgated by the  
13 commissioner.

1 9. For the purposes of this act, the employment of any employee  
2 terminated within 1 year, or within such longer period as prescribed  
3 by the commissioner when he determines that an employer is  
4 attempting to evade the provisions of this act, of the date an em-  
5 ployer ceases to operate a place of employment within this State  
6 shall be deemed to have been terminated because of the employer's  
7 ceasing to operate its place of employment, unless the employer can  
8 conclusively show that the termination was attributable to some  
9 other cause.

1 10. The commissioner may promulgate rules and regulations to  
2 provide for the efficient administration of the provisions of this  
3 act applicable to him, or to clarify such provisions as may be

4 necessary to effectuate the purposes of this act. The commissioner  
5 may use the facilities and personnel of the Department of Labor  
6 and Industry, and any appropriations available to carry out his  
7 duties and responsibilities under this act.

1 11. The Director of the Division of Taxation is authorized to  
2 promulgate rules and regulations for the assessment and collection  
3 of the tax imposed by this act.

1 12. The funds of any employer which are set aside or reserved  
2 for benefits under a pension plan of the employer to which em-  
3 ployees have a vested right shall not be liable to be seized or taken  
4 by virtue of any execution or civil process whatever, issued out of  
5 any court of this State, for the collection of the tax imposed by  
6 this act.

1 13. This act shall take effect immediately, and the tax imposed  
2 hereby shall expire and be inoperative after July 1, 1974.\*\*

[SECOND OFFICIAL COPY REPRINT]

ASSEMBLY, No. 1563

STATE OF NEW JERSEY

INTRODUCED NOVEMBER 20, 1972

By Assemblymen KLEIN, PELLECCIA, SINSIMER, J. HORN,  
BURSTEIN, BAER, PARETI, ORECHIO, DENNIS, HICKS  
and ESPOSITO

Referred to Committee on Insurance

AN ACT imposing a tax upon certain employers for the benefit of  
employees with nonvested pension rights *\*\*and providing for the  
assessment and collection thereof, and disposition of the revenues  
derived therefrom\*\**.

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

1 1. This act shall be known and may be cited as **\*\*[‘The Emer-**  
2 **gency Pension Act of 1972.’]\*\*** *\*\*The Private Nonvested Pension*  
3 *Benefits Protection Tax Act.\*\**

1 2. As used in this act:

2 a. ‘‘Employer’’ means any person, firm or corporation who  
3 employs **\*[10]\*** **\*\*[\*50\*]\*\*** *\*\*500\*\** or more people within this  
3A State *\*\*at any time within 1 year prior to the date that it ceases to*  
3B *operate a place of employment\*\**.

4 b. ‘‘Place of employment’’ means any location within this State  
5 at which **\*[10]\*** **\*\*[\*50\*]\*\*** *\*\*500\*\** or more persons are employed  
5A *\*\*at any time within 1 year prior to the date that the employer*  
5B *ceases to operate at such location\*\**.

6 **\*\*[c. ‘‘Nonvested pensions’’** means all amounts which an em-  
7 ployee would have been entitled to receive from the employer only  
8 upon retirement, if such employment had been permitted until re-  
9 tirement, multiplied by a fraction, the denominator of which shall be  
10 the number of years required for retirement and the numerator  
11 of which shall be the number of full years that such employee was  
12 employed by the employer. **]\*\***

13 **\*\*[d.]\*\*** *\*\*c.\*\** ‘‘Employee’’ means any person employed at the  
14 place of employment during the year prior to the date when the  
15 employer ceases to operate the place of employment.

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



16     \*\*d. "Commissioner" means the Commissioner of Labor and  
17     Industry.

18     e. "Ceases to operate a place of employment" means either the  
19     complete termination of operations at a place of employment or a  
20     substantial reduction in the number of employees at a place of  
21     employment as part of a plan or in connection with an intent to  
22     move the business operations at such place of employment outside  
23     of the State. Substantial fluctuations in the number of employees  
24     of an employer whose business is of a seasonal nature shall not  
25     be deemed to be a ceasing to operate a place of employment except  
26     to the extent that a substantial reduction in the number of em-  
27     ployees of such an employer is attributable to a plan or intention  
28     to move the business operations of such an employer outside of  
29     the State. When an employer ceases to operate a place of employ-  
30     ment but offers to retain all of the employees at another location  
31     within the State, this act shall not apply.

32     f. "Pension plan" means any plan, fund or program which is  
33     established, maintained or entered into by an employer for the  
34     purpose of providing for its employees, or their beneficiaries, re-  
35     tirement benefits.

36     g. "Normal retirement benefit" means that benefit payable under  
37     a pension plan in the event of retirement at the normal retirement  
38     age as prescribed by the plan.

39     h. "Accrued portion of the normal retirement benefit" means  
40     the amount of benefit credited by the employer to the account of  
41     an employee participating in a pension plan, or where there is no  
42     such credit, that portion of the normal retirement benefit to which  
43     the commissioner determines actuarially the employee should be  
44     entitled based on the covered service of the employee, as of the  
45     date of termination of employment.

46     i. "Covered service" means periods of employment with an em-  
47     ployer which are recognized under the terms of the employer's  
48     pension plan for the purposes of determining an employee's  
49     eligibility to receive benefits under the plan or the amount of such  
50     benefits.

51     j. "Vested right" means a nonforfeitable, legal right obtained  
52     by an employee participating in a pension plan to that part of an  
53     immediate or deferred pension benefit which arises from the em-  
54     ployee's covered service under the plan and is no longer contingent  
55     on the employee remaining covered under the plan.

56     k. "Nonvested pension benefit" means the accrued portion of  
57     the normal retirement benefit of an employee participating in a

58 *pension plan to which the employee does not have a vested right.\*\**

1 3. There is hereby assessed upon every employer, who hereafter  
2 ceases to operate a place of employment within this State, a tax  
3 which shall be equal to the **\*\*[**lesser of the following:

4 a. The employer's highest weekly payroll at the place of employ-  
5 ment during the calendar year next preceding the date when the  
6 employer ceases to operate such place of employment, multiplied  
7 by 52.

8 b. The amount of all nonvested pensions of all persons employed  
9 by such employer during the year prior to the date the employer  
10 ceases to operate such place of employment.]\*\* *\*\*total amount of*  
11 *nonvested pension benefits of such employees of the employer who*  
12 *have completed 15 years of covered service under the pension plan*  
13 *of the employer and whose employment was or will be terminated*  
14 *because of the employer's ceasing to operate a place of employment*  
15 *within this State and whose nonvested pension benefits have been*  
16 *or will be forfeited because of such termination of employment,*  
17 *less the amount of such nonvested pension benefits which are*  
18 *compromised or settled to the satisfaction of the commissioner as*  
19 *provided in this act\*\*.*

1 **\*\*[**4. This tax shall be due and payable on the date that the em-  
2 ployer ceases to operate its place of employment and shall be a lien  
3 upon all of the employer's assets within this State. Such tax shall be  
4 paid to the Director of the Division of Taxation when due and  
5 payable.

1 5. For the purpose of this act, the date when the employer ceases  
2 to operate the place of employment shall be the date upon which  
3 the employer reduces its total weekly payroll at the place of employ-  
4 ment to less than 10% of its highest weekly payroll during the  
5 preceding calendar year.

1 6. All revenues collected under this act shall be paid to employees  
2 to the extent of each such employee's nonvested pension rights.

1 7. The Director of the Division of Taxation shall be authorized  
2 to promulgate rules and regulations for the collection and assess-  
3 ment of the tax imposed by this act.

1 8. All claims for nonvested pension shall be made to the Com-  
2 missioner of Labor and Industry who shall be authorized to  
3 promulgate rules and regulations for the making and payment of  
4 such claims.

1 9. This act shall take effect immediately.]\*\*

1 **\*\*4.** *Any employer who intends to cease to operate a place of em-*  
2 *ployment within this State shall notify the commissioner of such*

3 *intention not later than 6 months prior to the date the employer*  
4 *intends to cease to operate its place of employment. In the case of*  
5 *an employer who intends to cease to operate a place of employment*  
6 *within this State within 6 months of the effective date of this act,*  
7 *the notice required by this section shall be given by the employer*  
8 *as soon as practicable, but not later than 10 days, after the effective*  
9 *date of this act.*

1 5. *Upon receipt of such notification, or upon his own initiative*  
2 *when such notification is not given as required, the commissioner*  
3 *shall cause an investigation to be made of the employer to deter-*  
4 *mine the number of employees who have completed 15 years of*  
5 *covered service under the pension plan of the employer and whose*  
6 *employment was or will be terminated because of the employer's*  
7 *ceasing to operate a place of employment within this State and*  
8 *whose nonvested pension benefits have been or will be forfeited*  
9 *by such termination of employment, the amounts of any nonvested*  
10 *pension benefits, if any, of such employees, and any other facts*  
11 *or circumstances concerning the employer, his employees and the*  
12 *pension plan for such employees as may be necessary or useful to*  
13 *the commissioner to carry out his duties and responsibilities under*  
14 *this act. The investigation, insofar as practicable, shall be conducted*  
15 *at the employer's place of employment during normal business*  
16 *hours. The employer shall cooperate fully with the commissioner*  
17 *in such investigation, and shall make available to him any books,*  
18 *records or other information necessary or useful to such investiga-*  
19 *tion. To aid in such investigations, the commissioner is authorized*  
20 *to administer oaths and affirmations and to issue subpoenas to*  
21 *compel the attendance of witnesses or the production of books,*  
22 *records or other documents. The commissioner may seek, through*  
23 *the Attorney General acting on his behalf, orders from any court*  
24 *of competent jurisdiction to compel an employer to comply with*  
25 *the provisions of this act and to punish disobedience of any subpoena*  
26 *issued pursuant to this act.*

1 6. *As part of the investigation of an employer, the commissioner*  
2 *shall determine the amount of nonvested pension benefits which*  
3 *have been compromised or settled to his satisfaction. Nonvested*  
4 *pension benefits may be compromised or settled by:*

5 a. *Agreement between the employer and employee which is*  
6 *mutually understood by both parties to be a complete and final*  
7 *satisfaction of such benefits; or*

8 b. *A provision in a collective bargaining agreement to which both*  
9 *the employer and employee are a party concerning the disposition*

10 of pension benefits in case the employer ceases to operate a place  
11 of employment, or providing a benefit to the employee contingent  
12 upon the employer ceasing to operate a place of employment.

1 7. After the investigation of the employer, the commissioner  
2 shall certify to the Director of the Division of Taxation the total  
3 amount of nonvested pension benefits which are includable in  
4 determining an employer's tax liability under this act and the  
5 amount of such benefits which have been compromised or settled  
6 to the satisfaction of the commissioner. The director shall deter-  
7 mine the amount of an employer's tax liability under this act and  
8 shall notify the employer of the amount of the tax. The tax shall  
9 be due and payable to the director on the date that the employer  
10 ceases to operate its place of employment and shall be a lien upon  
11 all of the employer's assets within this State. If the tax is not  
12 paid when due, the employer shall be liable for interest on the  
13 amount due at the rate of 6% per annum until the tax and interest  
14 are paid.

1 8. The commissioner shall maintain a separate record of each  
2 employee of an employer taxed under this act who had completed  
3 15 years of covered service under the pension plan of the employer  
4 and whose employment was terminated because of the employer's  
5 ceasing to operate a place of employment within this State and  
6 whose nonvested pension benefits were forfeited by such termina-  
7 tion of employment and were not compromised or settled. Each  
8 such employee shall be entitled to make a claim, in the form and  
9 manner prescribed by the commissioner, for an immediate payment  
10 of the current value of his nonvested pension benefits or a deferred  
11 pension benefit, and to receive such payment or benefit in accord-  
12 ance with the rules and regulations promulgated by the  
13 commissioner.

1 9. For the purposes of this act, the employment of any employee  
2 terminated within 1 year, or within such longer period as prescribed  
3 by the commissioner when he determines that an employer is  
4 attempting to evade the provisions of this act, of the date an em-  
5 ployer ceases to operate a place of employment within this State  
6 shall be deemed to have been terminated because of the employer's  
7 ceasing to operate its place of employment, unless the employer can  
8 conclusively show that the termination was attributable to some  
9 other cause.

1 10. The commissioner may promulgate rules and regulations to  
2 provide for the efficient administration of the provisions of this  
3 act applicable to him, or to clarify such provisions as may be

4 necessary to effectuate the purposes of this act. The commissioner  
5 may use the facilities and personnel of the Department of Labor  
6 and Industry, and any appropriations available to carry out his  
7 duties and responsibilities under this act.

1 11. The Director of the Division of Taxation is authorized to  
2 promulgate rules and regulations for the assessment and collection  
3 of the tax imposed by this act.

1 12. The funds of any employer which are set aside or reserved  
2 for benefits under a pension plan of the employer to which em-  
3 ployees have a vested right shall not be liable to be seized or taken  
4 by virtue of any execution or civil process whatever, issued out of  
5 any court of this State, for the collection of the tax imposed by  
6 this act.

1 13. This act shall take effect immediately, and the tax imposed  
2 hereby shall expire and be inoperative after July 1, 1974.\*\*

MAY 10, 1973

FOR RELEASE:  
IMMEDIATE

Governor William T. Cahill has signed into law two pieces of legislation aimed at providing protection for retirement of workers employed by private enterprise.

In signing these measures, the Governor said:

"This legislation affects an area of vital concern not only to me as Governor but also to business and to each and every employe throughout the state.

"The plight of the working man without adequate protection for his retirement under private pension systems is one that cries out for relief."

The two measures signed by the Governor were:

Assembly Bill 1563, sponsored by Assemblyman Herbert Klein (D., Passaic), which imposes a tax upon certain large employers moving out of New Jersey in an amount equal to the total non-vested pension benefits of their employes with 15 or more years of service with the company.

Senate Joint Resolution 2002, sponsored by Senator Alfred D. Schiaffo (R., Bergen), which provides for a study commission to make a thorough study of private retirement systems to determine what action may be appropriate on the state level.

Commenting on the Assembly measure, the Governor said:

"This bill would cover a situation involving a large employer in New Jersey which plans to cease operations in our state in the very near future. This company employs a large number of workers who do not qualify for benefits under the company pension plan despite the fact they have been employed for relatively long periods of time -- in some cases, 20 or 30 years.

"Unfortunately, the company plan does not have a vesting provision to insure benefits for employes terminated after lengthy employment."

The Governor noted that there has been opposition to the bill as well as legal arguments advanced against it and its merits may eventually be decided by the courts.

-more-

In signing the bills the Governor stressed an important point, saying:

"I would like to direct special attention to section 6 of the bill which provides for settlement and compromise of benefits under the bill on an individual employer-employee basis or as part of a collective bargaining agreement concerning the disposition of benefits under the bill."

However, the Governor noted, "inaction on my part may deprive these employees of benefits to which they may be entitled."

In commenting on the effect of the two pieces of legislation and especially on the study commission, the Governor said:

"During my administration, I have initiated, supported and signed legislation to improve pension benefits for employees in the public sector whether they be teachers, policemen or firemen, state or local government employees. I have been similarly concerned with pension protection for workers in the private sector. I realize, however, this is a subject which can best be treated properly at the federal level. Most large employers are national in scope and most union contracts involve more than one state. Recognizing that there is very little an individual state can do on its own in this area, I intend to do all within my power to help solve this perplexing problem.

"In my annual message delivered to the Legislature in January of this year, I focused attention on the need for action in this area. My statements then have even more validity today. Safeguards are also urgently needed in the area of private retirement systems. All too often, we have received complaints from people who receive no benefits from these pension plans. In some instances, the employee is terminated prior to completing the required length of service. In other cases, companies have relocated to another area of the country to draw upon a different labor market. Some plans have suffered from inadequate funding resulting in insufficient money to pay benefits. Whatever the reasons, all too often the working man ends up shortchanged and in deep financial trouble after a life of toil."

\*\*\*

## NOTATIONS

**A 1537 Baer, Hynes, Woodson, Orechio**  
Nov. 16—Designated "The Fair Tenant Process Service Act," provides for service by both regular and certified mail; effective 90 days following enactment.  
Nov. 16—Rev. & Amend. of Laws Com.  
Mar. 19, 1973—Reported with com. amend.  
Mar. 19, 1973—2nd reading.  
Apr. 9, 1973—Amended.  
Apr. 9, 1973—2nd reading, amended.  
Nov. 26, 1973—Passed in Assembly, amended. (51-0)  
Nov. 29, 1973—Received in Senate.  
Nov. 29, 1973—Law, Public Safety & Defense Com.

**A 1538 Dickey**  
Nov. 16—Establishes a Division of Systems and Communications in the Department of Law and Public Safety. (FN)  
Nov. 16—State Gov't Com.  
Mar. 29, 1973—Reported, 2nd reading.  
Apr. 9, 1973—Passed in Assembly. (71-0)  
Apr. 9, 1973—Received in Senate.  
Apr. 9, 1973—State Gov't & Fed. & Interstate Rel. Com.  
Nov. 19, 1973—Reported, 2nd reading.  
Jan. 8, 1974—Recommitted.

**A 1539 DeKorte, Rys, Reid**  
Nov. 16—Permits local public employer contributions for certain pensioners in connection with the State Health Benefits Program.  
Mar. 19, 1973—Passed in Assembly. (63-0)  
Apr. 26, 1973—Passed in Senate. (32-0)  
May 7, 1973—Approved, Chapter 111, 1973.

**A 1540 McDonough**  
Nov. 16—Provides for the issuance of motor vehicle plates to persons engaged in the business of conducting wholesale automobile auctions. (FN-Savings \$1,888, 73-4; \$1,986, 74-5)  
Feb. 22, 1973—Passed in Assembly. (59-0)  
Mar. 19, 1973—Passed in Senate. (31-0)  
Mar. 22, 1973—Approved, Chapter 65, 1973.

**A 1541 Manner, McDonough**  
Nov. 16—Repeals the requirement that drivers' licenses issued to persons under 21 years of age be a distinctive color different from other drivers' licenses.  
Nov. 29—Passed in Assembly. (54-0)  
Apr. 12, 1973—Passed in Senate. (32-0)  
May 2, 1973—Approved, Chapter 108, 1973.

**A 1542 Raymond**  
Nov. 16—Requires a \$10.00 fee be paid prior to the reissuance of a driver's license or registration certificate which has been revoked or suspended.  
Nov. 16—Transportation & Pub. Util. Com.

**A 1543 Merck, Bornheimer**  
Nov. 20—Requires that both female and male pupils be allowed to compete in any interscholastic or intramural sport; effective July 1, 1973.  
Nov. 20—Education Com.

**A 1544 (S 595-1972) Apy, Kennedy, Dawes, Robertson**  
Nov. 20—Requires a write-in candidate for nomination to a public office to receive the number of write-in votes at the primary election equal to or greater than the number of signers required for nomination by petition for that office.  
Nov. 20—Judiciary Com.  
Mar. 22, 1973—Reported, 2nd reading.  
Jan. 8, 1974—Recommitted.

**A 1545 Apy, Kennedy, Kaltenbacher, Friedland, Esposito, A. Klein, Perskie, Woodson, Dawes, Robertson, Berry**  
Nov. 20—Permits the Department of Institutions and Agencies to continue supervision and maintenance of persons between 18 and 21 who are enrolled in a school or training program below college level or who require treatment for emotionally, cognitively or physically disabled persons; effective January 1, 1973.  
Nov. 29—Passed in Assembly. (63-0)  
Dec. 14—Passed Senate under emerg. resolution. (34-0)  
Dec. 28—Approved, Chapter 206, 1972.

**A 1546 Ewing, Fenwick, Black, Weidel, Kaltenbach, M. Horn, Dennis, Apy, Dickey, Garibaldi, Pareti, Bassano, Hurley, Kean, DeKorte, Wilkie, Vreeland, McDonough, Burstein, Mancini, Berry, Littell, Raymond, Spizziri, Foran, Margetta, Orechio, Kennedy, Dawes, Chinnici, Rys, Reid**  
Nov. 16—Implements the State aid to schools (P.L. 1970, c. 234), provides that no school district will receive less State aid during the 1973-74 school year than it is receiving during the current 1972-1973 school year.  
Dec. 14—Passed in Assembly. (65-3)  
Dec. 14—Passed Senate under emerg. resolution. (37-0)  
Dec. 20—Approved, Chapter 195, 1972.

**A 1547 Foran, Merck**  
Nov. 16—Appropriates \$183,585.06 to the M. J. Doyle, Inc. for additional cost items incurred in construction of the Hunterdon State School Project.  
Nov. 27—Passed in Assembly. (61-0)  
Apr. 9, 1973—Passed in Senate. (21-0)  
Nov. 26, 1973—Line item veto, Chapter 255, 1973.

**A 1548 Foran, Merck**  
Nov. 16—Appropriates \$1,365.00 to Anthony T. Campanile for injuries received during a fight in the State Prison, Rahway.  
Dec. 14—Passed in Assembly. (70-0)  
Mar. 29, 1973—Passed in Senate. (29-0)  
Jan. 8, 1974—Vetoed by the Governor.

**A 1549 Dennis, Veit, Gorman, Bornheimer**  
Nov. 20—Permits a saving and loan association to grant "installment loans."  
Nov. 20—Banking Com.  
Apr. 16, 1973—Reported by com. sub.  
Apr. 16, 1973—2nd reading.  
Nov. 19, 1973—Com. Sub. passed in Assembly. (60-0)  
Nov. 19, 1973—Received in Senate.  
Nov. 19, 1973—Labor, Ind. & Professions Com.

**A 1550 Deverin**  
Nov. 20—Permits supermarkets to be open for business only between 7 A.M. and 11 P.M.  
Nov. 20—Commerce, Ind. & Professions Com.

**A 1551 P. Stewart**  
Nov. 20—Prohibits a tax assessor to use any method of computation or calculation which employs the capitalization of income earned on the property as the income potential of the real property as a basis for arriving at the final estimate of such full and fair value; effective January 1, 1973.  
Nov. 20—Taxation Com.

**A 1552 Deverin, Fay, Bornheimer**  
Nov. 20—Establishes certain safety requirements for railroad companies.  
Nov. 20—Transportation & Pub. Util. Com.

**A 1553 Jackman**  
Nov. 20—Reduces from 5 to 3 years the time required for a municipal clerk to receive tenure.  
Nov. 20—Municipal Gov't Com.

**A 1554 (S 488-1972) Fay, Deverin, Bornheimer, Froude**  
Nov. 20—Provides for the recall of members of an elective board of education.  
Nov. 20—Education Com.

**A 1555 (S 615-1972) Fay, Perskie**  
Nov. 20—Designated "The New Jersey Campaign Contribution and Expenditures Reporting Act," requires the reporting of election campaign contributions and expenditures; establishes an Election Law Enforcement Commission; appropriates \$50,000; inoperative for 90 days following enactment.  
Nov. 20—Judiciary Com.

**A 1556 Baer, Kean, Kaltenbacher, Burstein, Merck, Woodson, Hynes**  
Nov. 20—Prescribes the responsibilities of farm operators regarding seasonal workers.  
Nov. 20—Agric., Cons. & Natural Resources Com.

**A 1557 Baer, Burstein, Hynes**  
Nov. 20—Provides for interest on security deposits on commercial and industrial buildings.  
Nov. 20—Rev. & Amend. of Laws Com.  
Apr. 25, 1973—Public hearing held.

**A 1558 Baer, Kean, Burstein, Woodson, Hynes, J. Horn, Froude**  
Nov. 20—Extends minimum wage and overtime to all farm laborers.  
Nov. 20—Labor Relations Com.  
Jan. 29, 1973—Reported, 2nd reading.

**A 1559 Hicks, Pellecchia, Sinsimer, J. Horn, H. Klein**  
Nov. 20—Grants tenure to any full-time employee appointed by a county park commission in a 2nd class county having a population between 460,000 and 525,000 after serving 5 successive 1 year appointments.  
Nov. 20—County Gov't Com.  
Apr. 9, 1973—Reported with com. amend.  
Apr. 9, 1973—2nd reading.  
Apr. 30, 1973—Passed in Assembly, amended. (43-0)  
May 21, 1973—Received in Senate.  
May 21, 1973—County & Mun. Gov't Com.

**A 1560 Woodson, J. Horn, DeKorte, Kean**  
Nov. 20—Provides for a pension for any former Governor who has attained the age of 65. (FN-\$21,000 73-4; \$35,000, 74-5)  
Nov. 16—No Ref., 2nd reading.  
Nov. 29—Amended.  
Nov. 29—2nd reading, amended.  
Jan. 8, 1974—Judiciary Com.

**A 1561 Vreeland, Pareti, Littell, Foran, Weidel, Margetta, McManimon, Pellecchia, Dawes, Friedland, Wilkie**  
Nov. 20—Provides for the regulation of independent adjusters and public adjusters.  
Nov. 20—Commerce, Ind. & Professions Com.

**A 1562 Esposito, LeFante, H. Stewart, Wallace, Wilkerson, Kennedy, Dawes, Robertson, Deverin, Fay, Orechio, Kaltenbacher, Manner, Friedland, Pellecchia, Higgins, Megaro, Jackman, H. Klein**  
Nov. 20—Increases the limit on bingo prizes.  
Nov. 20—Commerce, Ind. & Professions Com.

**A 1563 H. Klein, Pellecchia, Sinsimer, J. Horn, Burstein, Baer, Pareti, Orechio, Dennis, Hicks, Esposito**  
Nov. 20—Designated the "Private Nonvested Pension Benefits Protection Tax Act," imposes a tax upon certain employers for the benefit of employees with nonvested pension rights.  
Nov. 20—Insurance Com.  
Nov. 27—Reported, 2nd reading.  
Nov. 29—Amended.  
Nov. 29—2nd reading, amended.  
Dec. 14—Passed in Assembly, amended. (47-4)  
Dec. 14—Received in Senate.  
Dec. 14—Labor, Ind. & Professions Com.  
Feb. 22, 1973—Reported by com. sub.  
Feb. 22, 1973—2nd reading.  
Mar. 19, 1973—Recommitted.  
Mar. 19, 1973—Reported with com. amend.  
Mar. 19, 1973—2nd reading.  
Mar. 19, 1973—Passed Sen under emerg. res, amended. (34-0)  
Mar. 19, 1973—Received in Assembly.  
Mar. 19, 1973—Labor Relations Com.  
Mar. 22, 1973—Reported.  
Mar. 29, 1973—Senate amend. passed in Assembly. (56-3)  
May 9, 1973—Approved, Chapter 124, 1973.

**A 1564 DeKorte, Kean, McDonough, Friedland, J. Horn, Woodson, Hurley, Reid, Dennis, Garibaldi, Higgins, Robertson, Dawes, Kennedy, Apy, Orechio, Kaltenbacher, Berry, Manner, Mancini, Merck, Vreeland, Margetta, Black, Spizziri, Veit, Rys, Chinnici, Raymond, M. Horn, Fenwick, Foran, Ewing, Littell, Megaro, Jackman, Wilkerson, Esposito, Wallace, H. Stewart, Bedell, Colasurdo, Perskie, Yates, Froude, Bornheimer, Fay, Kolodziej, Sinsimer, H. Klein, Hynes, Burstein, P. Stewart, McManimon, Pellecchia, Hicks, Deverin, Bassano**  
Nov. 16—Authorizes the Port Authority to undertake separately and as air terminal improvements, projects for rail access to J. F. Kennedy and Newark Airports.  
Nov. 27—Motion to refer to com. lost. (34-37)  
Nov. 27—Passed in Assembly. (63-6)  
Dec. 14—Passed in Senate. (25-6)  
Dec. 28—Approved, Chapter 207, 1972.

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