

43:6A-1 et seq

LEGISLATIVE HISTORY CHECKLIST

NJSA: 43:6A-1 et seq.

"Judicial Retirement System Act"

LAWS OF: 1973

CHAPTER: 140

Bill No: S536

Sponsor(s): Thomas and others

Date Introduced: February 7, 1972

Committee: Assembly: -----

Senate: Judiciary

Amended during passage:

Yes

Assembly Committee Substitute (OCR) enacted. Amendments denoted by asterisks.

Date of Passage:

Assembly: March 29, 1973

Senate: April 9, 1973

Date of Approval: May 22, 1973

Following statements are attached if available:

Sponsor statement:

No

Committee statement:

Assembly

No

Senate

Yes

Fiscal Note:

Yes

Veto Message:

No

Message on Signing:

No

Following were printed:

Reports:

No

Hearings:

No

See Newark Star Ledger, 1-11-76, 1-12-76 and 1-13-76 for "Special Report on judges pensions".

[OFFICIAL COPY REPRINT]
ASSEMBLY COMMITTEE SUBSTITUTE FOR
SENATE, No. 536

STATE OF NEW JERSEY

ADOPTED JANUARY 22, 1973

AN ACT establishing the judicial retirement system, specifying contributions to be paid and benefit rights therein; and repealing sundry acts and parts of acts.

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 "Judicial
2 Retirement System Act."

1 2. If any provision, section, or part of any section of this act is
2 declared to be unconstitutional, the same shall not be held to affect
3 any other section or provision of this act, and the remainder of this
4 act shall in no wise thereby be invalidated.

1 3. As used in this act:

2 a. "Beneficiary" means any person entitled to receive any
3 benefit pursuant to the provisions of this act by reason of the death
4 of a member or retirant.

5 b. "Child" means a deceased member's or retirant's unmarried
6 child who is either (a) under the age of 18 (b) of any age who, at
7 the time of the member's or retirant's death, is disabled because
8 of mental retardation or physical incapacity, is unable to do any
9 substantial, gainful work because of the impairment and his impair-
10 ment has lasted or can be expected to last for a continuous period
11 of not less than 12 months, as affirmed by the medical board or (c)
12 under the age of 21 and is attending school full time.

13 c. "Compensation" means the base salary, for services as a
14 member as defined in this act, which is in accordance with estab-
15 lished salary policies of the State for all employees in the same
16 position but shall not include individual salary adjustments which
17 are granted primarily in anticipation of the member's retirement
18 or additional remuneration for performing temporary duties be-
19 yond the regular work schedule.

20 d. "Final salary" means the average salary received by the

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

21 member in the last 12 months of service preceding his retirement
22 or death.

23 e. "Fiscal year" means any year commencing with July 1 and
24 ending with June 30 next following.

25 f. "Medical board" means the board of physicians provided for
26 in section 29 of this act.

27 g. "Member" means the Chief Justice and associate justices of
28 the supreme court, judges of the superior court, county courts,
29 county district courts and juvenile and domestic relations courts
30 of the State of New Jersey required to be enrolled in the retirement
31 system established by this act.

32 For purposes of this act, the person holding the office of standing
33 master by appointment pursuant to P. L. 1948, c. 382 or N. J. S.
34 2A:1-7 shall have the same privileges and obligations under this
35 act as a judge of a county court.

36 h. "Parent" means the parent of a member who was receiving
37 at least one-half of his support from the member in the 12-month
38 period immediately preceding the member's death or the accident
39 which was the direct cause of the member's death. The dependency
40 of such a parent will be considered terminated by marriage of the
41 parent subsequent to the death of the member.

42 i. "Pension" means payment for life derived from contributions
43 by the State.

44 j. "Pension reserve" means the present value of all payments
45 to be made on account of any pension or benefit in lieu of a pension
46 computed on the basis of such mortality tables recommended by the
47 actuary as shall be adopted by the State House Commission with
48 regular interest.

49 k. "Regular interest" means interest as determined annually by
50 the State Treasurer after consultation with the Directors of the
51 Divisions of Investment and Pensions and the actuary of the sys-
52 tem. It shall bear a reasonable relationship to the percentage rate
53 of earnings on investments but shall not exceed 105% of such
54 percentage rate.

55 l. "Retirant" means any former member receiving a pension
56 as provided by this act.

57 m. "Retirement system" herein refers to the "Judicial Retire-
58 ment System of New Jersey," which is the corporate name of the
59 arrangement for the payment of pensions and other benefits under
60 the provisions of this act including the several funds placed under
61 said system. By that name, all of its business shall be transacted, its
62 funds invested, warrants for money drawn, and payments made and
63 all of its cash and securities and other property held.

64 n. "Service" means public service rendered for which credit is
65 allowed on the basis of contributions made by the State.

66 o. "Several courts" means the Supreme, Superior, County,
67 county district and juvenile and domestic relations courts.

68 p. "Widow" means the woman to whom a member or a retirant
69 was married at least 4 years before the date of his death and to
70 whom he continued to be married until the date of his death ***[and**
71 **who was receiving at least one-half of her support from the member**
72 **or retirant in the 12-month period immediately preceding the mem-**
73 **ber's or the retirant's death or the accident which was the direct**
74 **cause of the member's death]*. The ***[dependency]* *eligibility***
75 of such a widow **to receive a survivor pension benefit** will be
75A considered terminated by the marriage of the widow subsequent
76 to the member's or the retirant's death. In the event of accidental
77 death the 4-year qualification shall be waived. When used in this
78 act, the term "widow" shall mean and include "widower" as may
79 be necessary and appropriate to the particular situation.**

80 q. "Widower" means the man to whom a member or a retirant
81 was married at least 4 years before the date of her death and to
82 whom she continued to be married until the date of her death ***[and**
83 **who was receiving at least one-half of his support from the member**
84 **or retirant in the 12-month period immediately preceding the mem-**
85 **ber's or the retirant's death or the accident which was the direct**
86 **cause of the member's death]*. The ***[dependency]* *eligibility***
87 of such a widower **to receive a survivor pension benefit** will be
88 considered terminated by the marriage of the widower subsequent
89 to the member's or the retirant's death. In the event of accidental
90 death the 4-year qualification shall be waived.**

1 4 There is hereby established the "Judicial Retirement System
2 of New Jersey" in the Division of Pensions of the Department of
3 the Treasury. It shall have the powers and privileges of a corpo-
4 ration. Its purpose is to provide pensions and other benefits for
5 its members and their beneficiaries in accordance with the pro-
6 visions of this act.

1 5. The membership of the retirement system shall include:

2 a. The Chief Justice and the associate justices of the supreme
3 court;

4 b. Any judge of the superior court;

5 c. Any judge of the county court;

6 d. Any judge of the county district court, who is required by
7 law to devote his entire time to his judicial duties and is prohibited
8 from practice of law; and

9 e. Any judge of the juvenile and domestic relations court of any
10 county, who is required by law to devote his entire time to his
11 judicial duties and is prohibited from practice of law.

12 Membership in the retirement system is a condition for judicial
13 service for the members of the Judiciary herein listed.

14 Membership in the retirement system shall cease upon retire-
15 ment, death or resignation.

1 6. Not more than 1 year shall be credited for all service in a
2 calendar year. In computing years of service, any service for which
3 the member did not receive an annual salary or compensation of at
4 least \$500.00 shall be disregarded. Only service as a public em-
5 ployee of New Jersey shall be considered.

1 7. Any member of the retirement system who has reached the age
2 of 70 years shall be retired forthwith on the first day of the next
3 calendar month. Any other eligible member of the retirement
4 system may be retired, but not less than 1 month subsequent to the
5 filing of a written and duly executed application with the retire-
6 ment system. Such application shall be accompanied by a copy
7 of the member's resignation from his judicial office which he has
8 filed in the office of the Secretary of State.

1 8. a. Any member who shall have served at least 10 years as a
2 judge of the several courts and having attained the age of 70 years,
3 shall be retired.

4 b. Any member who shall have served at least 15 years as a
5 judge of the several courts and having attained the age of 65 years
6 but not the age of 70 years, may retire.

7 c. Any member who shall have served at least 20 years as a
8 judge of the several courts and having attained the age of 60 years
9 but but not the age of 65 years, may retire.

10 d. Service in the several courts as given in subsections a., b. and
11 e. of this section shall include service in the office of the Chancellor,
12 Chief Justice of the old Supreme Court, associate justice of the
13 old supreme court, judge of the circuit court, Vice-Chancellor,
14 judge of the court of errors and appeals, judge of the court of
15 common pleas, and advisory master to the superior court.

16 e. Any member of the retirement system eligible to retire under
17 the provisions of this section, shall receive an annual pension dur-
18 ing the remainder of his life in the amount equal to three-quarters
19 of his final salary.

1 9. a. Any judge of the several courts, who shall have served at
2 least 5 years successively as such judge and shall have attained
3 the age of 65 years or more while serving in such office and shall
4 have served at least 15 years in the aggregate, including such ser-

5 vice as a judge, or in office, position, or employment of this State
6 or of a county, municipality, board of education or public agency
7 of this State, may retire.

8 b. Any judge of the several courts, who shall have served at least
9 5 years successively as such judge and shall have attained the age
10 of 60 years or more while serving in such office and shall have
11 served at least 20 years in the aggregate, including such service
12 as a judge, or in office, position, or employment of this State or of
13 a county, municipality, board of education or public agency of this
14 State, may retire.

15 c. Any member of the retirement system, eligible to retire under
16 the provisions of this section, shall receive an annual pension dur-
17 ing the remainder of his life in an amount equal to one-half of his
18 final salary.

1 10. Should any member resign, or fail of reappointment who
2 shall have served at least 5 years successively as a judge of the
3 several courts and at least 25 years in the aggregate, including
4 such service as a judge or in office, position, or employment of this
5 State or a county, municipality, board of education, or public
6 agency of this State, before reaching age 60, he may elect "early"
7 retirement, provided, that such election is communicated by such
8 member to the retirement system by filing a written application,
9 duly attested, stating at what time subsequent to the execution and
10 filing thereof he desires to be retired. He shall receive a pension
11 in the amount of 2% of his final salary multiplied by his number
12 of years of service up to 25 plus 1% of his final salary multiplied
13 by his number of years of service over 25; provided, however, that
14 such pension shall be reduced in accordance with a table of actuarial
15 equivalents recommended by the actuary and adopted by the re-
16 tirement system reflecting all months that the member lacks of
17 being age 60.

18 The State House Commission shall retire him at the time speci-
19 fied or at such other time within 1 month after the date so specified
20 as the commission finds advisable.

1 11. Should any member resign, or fail of reappointment who
2 shall have served at least 5 years successively as a judge of the
3 several courts and at least 15 years in the aggregate, including such
4 service as a judge or in office, position, or employment of this State
5 or a county, municipality, board of education, or public agency of
6 this State, before reaching age 60, and not by removal for cause or
7 charges of misconduct or delinquency, he may elect to receive a
8 deferred pension, beginning on the first day of the month following

9 his attainment of age 60 and the filing of an application therefor,
10 in the amount of 2% of his final salary multiplied by his number of
11 years of service up to 25 plus 1% of his final salary multiplied by
12 his number of years of service over 25, provided that such inactive
13-14 member may elect to receive payments provided under section 10
15 if he had qualified under that section at the time of leaving service,
16 except that in order to avail himself of the option, he must exercise
17 such option at least 1 month before the effective date of his retire-
18 ment. If such inactive member shall die after attaining age 60 but
19 before filing an application for retirement benefits pursuant to this
20 section or section 10 and for which benefits he would have qualified,
21 or in the event of death after retirement, there shall be paid to such
22 member's beneficiary the death benefits prescribed by section 19.

23 No beneficiary shall be eligible for a pension if the member who
24 elected to receive a deferred pension shall die before attaining age
25 60.

26 Any member who, having elected to receive a deferred pension,
27 again becomes a member while under the age of 60, shall thereupon
28 be reenrolled. He shall be credited with all service as a member
29 standing to his credit at the time of his election to receive a deferred
30 pension.

1 12. Whenever the Supreme Court shall certify to the Governor,
2 or upon the written application by a member of the retirement sys-
3 tem, any member who shall have served as a judge of the several
4 courts, may be retired for disability if the member has become
5 physically or otherwise incapacitated for full and efficient service
6 to the State in his judicial capacity. The Governor shall thereupon
7 refer the disability claim to the medical board of the retirement
8 system, which shall designate a physician or physicians to examine
9 the member and report to the Governor as to his physical or other
10 disability and whether in all reasonable probability, if they find the
11 disability existent, it will continue permanently and does and will
12 continue to prevent the member from giving full and efficient service
13 in the performance of his judicial duties. If the report of the
14 medical board confirms the existence of the disability, and if the
15 Governor recommends retirement, the claim shall be presented to
16 the State House Commission.

17 Upon approval by the State House Commission, the member shall
18 be retired not less than 1 month next following the date of filing of
19 an application with the retirement system, and he shall receive an
20 annual pension during the remainder of his life in an amount equal
21 to three-fourths of his final salary.

1 13. a. No member of the retirement system shall, while receiving
2 a pension pursuant to this act, engage in the practice of law before
3 any of the courts of this State.

4 b. Any judge retired on pension, except a judge of a municipal
5 court, who has not attained the age of 70 years, may, with his con-
6 sent, be assigned by the Chief Justice to sit in any court but the
7 Supreme Court, or in the case of a retired justice of the supreme
8 court, to sit in any court.

9 c. Upon such assignment the retired judge shall have all the
10 powers of a judge or justice of the court to which he is assigned and
11 shall be paid a per diem allowance to be fixed by the Chief Justice
12 at a rate which for a court year together with his pension, shall not
13 exceed the current salary of the court from which he retired. In
14 addition such judge or justice shall be reimbursed for all reasonable
15 expenses actually incurred in connection with such assignment. Such
16 per diem compensation and expenses shall be paid by the State.

17 d. Payment for such service shall be made in the same manner
18 as is compensation of the active judges of the court from which he
19 retired.

1 14. a. Any judge who is required to be a member of the retire-
2 ment system established by this act and who holds membership in
3 a retirement system established pursuant to any other law of this
4 State shall cease to be a member of such other retirement system
5 as of the effective date of this act. Any person becoming a judge
6 of the several courts after the effective date of this act, who holds
7 membership in a retirement system established pursuant to any
8 other law of this State shall cease to be a member of such other
9 retirement system on the date he becomes such judge.

1 b. Any such judge shall, upon his request, receive a refund of
2 his contributions to such retirement system, without interest, less
3 any unpaid balance of an outstanding loan, as of the effective date
4 of this act or the date on which he becomes such judge, whichever is
5 later. If any such judge shall be eligible for benefits under any such
6 retirement system as of the effective date of this act, or if later,
7 as of the date he becomes such judge, he may elect to receive an
8 annuity based on his own contributions while continuing to serve
9 as such judge; provided, however, that if any such judge shall sub-
10 sequently elect to receive benefits under the provisions of this act,
11 all rights to retirement and death benefits under any other law of
12 this State shall thereby be terminated except as hereinafter pro-
13 vided in subsection c.

14 c. If any such judge elects to receive benefits pursuant to the
15 provisions of this act after having received benefits from a retire-
16 ment system established pursuant to another law of this State, such
17 judge shall be entitled to receive the value of his contributions,
18 without interest, to such other retirement system reduced by the
19 value of any benefits received from such retirement system.

20 If any such judge dies in service before he could elect to receive
21 the benefits pursuant to the provisions of this act, after having
22 received benefits from a retirement system established pursuant to
23 another law of this State, his eligible beneficiary shall be entitled to
24 receive the value of the member's contributions, without interest,
25 to such other retirement system reduced by the value of any benefits
26 received by the judge from such retirement system.

1 15. No public employee veteran eligible for membership in the
2 retirement system established by this act shall be eligible for, or
3 receive, retirement benefits under R. S. 43:4-1, 43:4-2 and 43:4-3.

1 16. All pensions granted under the provisions of this act shall
2 be effective only on the first day of a month, shall be paid in equal
3 monthly installments, and shall not be decreased, increased, revoked,
4 or repealed, except as otherwise provided in this act.

5 Upon the death of a retirant, any unpaid benefits due him shall
6 be paid in one lump sum to his beneficiary. No pension shall be
7 due to a retirant or a beneficiary unless it constitutes a payment
8 for an entire month.

1 17. a. Upon the receipt of proper proofs of the death in active
2 service of a member of the retirement system, there shall be paid
3 to his widow a pension of 25% of final salary for the use of
4 herself, to continue during her widowhood, plus 10% of final
5 salary payable to one surviving child or plus 15% of final salary
6 to two or more surviving children; if there is no surviving widow
7 or in case the widow dies or remarries, 15% of final salary will be
8 payable to one surviving child, 20% of final salary to two surviving
9 children in equal shares and if there be three or more children,
10 30% of final salary will be payable to such children in equal shares.
11 If there is no surviving widow or child, 20% of final salary will be
12 payable to one surviving parent or 30% of final salary will be
13 payable to two surviving parents in equal shares.

14 b. In addition to the foregoing benefits payable under subsection
15 a., there shall also be paid in one sum to the member's beneficiary
16 an amount equal to one and one-half times the final salary received
17 by the member.

1 18. Upon the receipt of proper proofs of the death after retire-
2 ment of a member of the retirement system, there shall be paid
3 to his widow a pension of 25% of final salary for the use of herself,
4 to continue during her widowhood, plus 10% of final salary payable
5 to one surviving child or plus 15% of final salary to two or more
6 surviving children; if there is no surviving widow or in case the
7 widow dies or remarries, 15% of final salary will be payable to one
8 surviving child, 20% of final salary to two surviving children in
9 equal shares and if there be three or more children, 30% of final
10 salary will be payable to such children in equal shares.

1 19. Upon the receipt of proper proofs of the death of a member
2 who has retired on a pension based on age and service, or pursuant
3 to section 10, there shall be paid to the member's beneficiary, an
4 amount equal to one-fourth of the final salary received by the
5 member.

1 20. Upon the receipt of proper proofs of the death of a member
2 who has retired on a disability pension, there shall be paid to the
3 member's beneficiary, an amount equal to one and one-half times
4 the final salary received by the member if such death occurs before
5 the member shall have attained 60 years of age but if such death
6 occurs thereafter, an amount equal to one-fourth of the final salary
7 received by the member.

1 21. The State Treasurer is hereby authorized and permitted to
2 purchase from one or more life insurance companies, as determined
3 by him, group life insurance coverage to provide for the death
4 benefits specified in sections 17 b., 19 and 20. Such group life
5 insurance coverage may be provided under one or more policies
6 issued to the State Treasurer specifically for this purpose or, in
7 the discretion of the State Treasurer, under one or more policies
8 issued to the State Treasurer which provide group life insurance
9 coverage for members of one or more other retirement systems
10 of the State of New Jersey. Whenever such policy or policies of
11 group insurance shall be in effect, the benefits payable thereunder
12 shall be in lieu of the above mentioned death benefits provided by
13 said sections.

14 Any dividend or retrospective rate credit allowed by an insurance
15 company shall be credited in an equitable manner to the special
16 insurance funds from which premiums are paid.

1 22. Any life insurance company must meet the following require-
2 ments in order to qualify under section 21:

3 a. be licensed under the laws of the State of New Jersey to trans-
4 act life and accidental death insurance; and

5 b. the amount of its group life insurance in the State of New
6 Jersey shall at the time said insurance is to be purchased equal at
7 least 1% of the total amount of such group life insurance in the
8 State of New Jersey in all life insurance companies.

1 23. The State Treasurer may, in his discretion, determine to pur-
2 chase group life insurance coverage for the death benefit provisions
3 as provided in sections 17 b., 19 and 20, or may determine not to
4 purchase any group insurance coverage for the death benefit pro-
5 visions heretofore mentioned.

1 24. In the event the State Treasurer shall determine to purchase
2 group insurance coverage for the death benefits, premiums for the
3 same shall be paid from a special fund, hereby created, called the
4 "Group Insurance Premium Fund." The State Treasurer shall
5 estimate annually the amount which will be required for premiums
6 for such benefits for the ensuing fiscal year. The State shall pay
7 over to the State Treasurer the amount so required who shall
8 deposit it in the Group Insurance Premium Fund. During the
9 period such group insurance policy or policies are in effect the State
10 Treasurer shall in no way commingle moneys in this fund with any
11 pension fund established by this act.

1 25. Any such group policy or policies shall include, with respect
2 to any insurance terminating or reducing because an insured person
3 has ceased to be in active service or has retired, the conversion
4 privilege available upon termination of employment as prescribed
5 by the law relating to group life insurance; and shall also include,
6 with respect to insurance terminating because of termination of the
7 group policy resulting from a termination of all death benefits
8 established under sections 17b., 19 and 20, the conversion privilege
9 available upon termination of the group policy as prescribed by
10 such law. Any such group policy or policies shall also provide that
11 if an insured person dies during the 31-day period during which he
12 would be entitled to exercise the conversion privilege, the amount of
13 insurance with respect to which he could have exercised the con-
14 version privilege shall be paid as a claim under the group policy.

15 If a member who has exercised the conversion privilege under
16 the group policy or policies again becomes a member of the retire-
17 ment system, and the individual policy obtained pursuant to the
18 conversion privilege is still in force, he shall not again be eligible
19 for any of the death benefits provided by sections 17 b., 19 and 20,
20 unless he furnishes satisfactory evidence of insurability.

21 When benefits payable upon the death of a member following
22 retirement are determined as though he were an active member at

23 the time of his death, the death benefit payable under the group
24 policy or policies together with the amount of insurance paid under
25 any individual policy obtained under the conversion privilege, shall
26 in no event exceed the amount of insurance for which the member
27 was insured under the group policy or policies immediately prior to
28 the date the right of conversion arose.

1 26. Benefits under such group policy or policies shall be paid by
2 the insurance company to such person, if living, as the insured per-
3 son shall have nominated by written designation duly executed and
4 filed with the insurance company through the policyholder, other-
5 wise to the executors or administrators of the insured person's
6 estate. An insured person may file with the insurance company
7 through the policyholder and alter from time to time during his
8 lifetime, as desired, a duly attested written nomination of his payee
9 for the death benefit.

1 27. Any such group policy or policies shall provide that payment
2 of any death benefits which are payable by the insurance company
3 may be made in one sum directly to the beneficiary as hereinafter
4 provided, in equal installments over a period of years or as a life
5 annuity or in such other manner as may be made available by the
6 insurance company. An insured person may make arrangements
7 for settlement, and may alter from time to time during his lifetime
8 any arrangement previously made, by making written request to
9 the insurance company through the policyholder. Upon the death
10 of an insured person, a beneficiary to whom a benefit is payable in
11 one sum by the insurance company may likewise arrange for a
12 settlement as described above. If an insured person's or benefi-
13 cary's request for settlement of any death benefit in equal install-
14 ments over a period of years or as a life annuity pursuant to the
15 foregoing is approved by the policyholder, the amount of such in-
16 stallments or such life annuity, as the case may be, shall be de-
17 termined on the basis of such applicable mortality tables as shall
18 have been adopted by the retirement system and are in effect at the
19 death of the insured person. Any arrangement for payment under
20 the group policy to a beneficiary shall be in lieu of that provided by
21 sections 17 b., 19 and 20.

1 28. Notwithstanding any other provision of law, any insurance
2 company or companies issuing such policy or policies may credit
3 the policyholder, in the form of reduced premiums, with savings by
4 said company or companies in the event that no brokerage commis-
5 sion or commissions are paid by said company or companies on the
6 issuance of such policy or policies.

1 29. a. Subject to the provisions of P. L. 1955, c. 70 (C. 52:18A-95
2 to 52:18A-104), the general responsibility for the proper operation
3 of the retirement system is hereby vested in the State House
4 Commission.

5 b. Except as otherwise herein provided, no member of the State
6 House Commission shall have any direct interest in the gains or
7 profits of any investments of the retirement system, nor shall any
8 member of the State House Commission directly or indirectly, for
9 himself or as an agent in any manner use the moneys of the re-
10 tirement system, except to make such current and necessary pay-
11 ments as are authorized by the commisison; nor shall any member
12 of the State House Commission become an endorser or surety, or
13 in any manner an obligor for moneys loaned to or borrowed from
14 the retirement system.

15 c. For purposes of this act, each member of the State House
16 Commission shall be entitled to one vote and a majority vote of
17 all members shall be necessary for any decision by the commission
18 at any meeting of said commission.

19 d. Subject to the limitations of this act, the State House Com-
20 mission shall annually establish rules and regulations for the ad-
21 ministration of the funds created by this act and for the trans-
22 action of its business. Such rules and regulations shall be consistent
23 with those adopted by the other pension funds within the Division
24 of Pensions in order to permit the most economical and uniform
25 administration of all such retirement systems.

26 e. The actuary of the system shall be designated by the State
27 Treasurer after consultation with the Director of the Division of
28 Pensions. He shall be the technical adviser of the commission on
29 matters regarding the operation of the funds created by the pro-
30 visions of this act and shall perform such other duties as are re-
31 quired in connection herewith.

32 f. The Attorney General shall be the legal adviser of the retire-
33 ment system.

34 g. The Director of the Division of Pensions of the State Depart-
35 ment of the Treasury shall be the secretary of the commission for
36 purposes pertaining to the provisions of this act.

37 h. For purposes of this act, the State House Commission shall
38 keep a record of all of its proceedings which shall be open to public
39 inspection. The retirement system shall publish annually a report
40 showing the fiscal transactions of the retirement system for the
41 preceding year, the amount of the accumulated cash and securities
42 of the system and the last balance sheet showing the financial

43 condition of the system by means of any actuarial valuation of the
44 assets and liabilities of the retirement system.

45 i. The State Treasurer shall designate a medical board after
46 consultation with the Director of the Division of Pensions. It shall
47 be composed of three physicians. The medical board shall pass on
48 all medical examinations required under the provisions of this act,
49 and shall report in writing to the retirement system its conclusions
50 and recommendations upon all matters referred to it.

1 30. a. The State House Commission shall be and is hereby con-
2 stituted the trustee of all the various funds established by this act
3 except the group insurance premium fund; provided, however, that
4 all functions, powers, and duties relating to the investment or re-
5 investment of moneys of, and purchase, sale, or exchange of any
6 investments or securities, of or for any fund established under
7 this act, shall be exercised and performed by the Director of the
8 Division of Investment in accordance with the provisions of P. L.
9 1950, c. 270 (C. 52:18A-79 et seq.).

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

14 c. The Treasurer of the State of New Jersey shall be the cus-
15 todian of the several funds. All payments from said funds shall
16 be made by him only upon vouchers signed by the secretary. A
17 duly attested copy of the resolution of the State House Commis-
18 sion bearing on its face the specimen signature of the secretary
19 shall be filed with the treasurer as his authority for making pay-
20 ments upon such vouchers.

21 d. The administration of the program shall be performed by the
22 personnel of the Division of Pensions of the State Department of
23 the Treasury and the costs of administration shall be borne by the
24 State.

1 31. The actuary shall recommend such data as shall be necessary
2 for actuarial valuation of the various funds created by this act.
3 Once in every 3-year period the actuary shall make an actuarial
4 investigation into the mortality, service and salary experience of
5 the members and beneficiaries and shall make a valuation of the
6 assets and liabilities of the various funds created by this act. Upon
7 the basis of such investigation and valuation, with the advice of
8 the actuary, the commission shall adopt for the retirement system
9 such mortality, service and other tables as shall be deemed neces-
10 sary.

1 32. Under this act there shall be established a contingent reserve
2 fund and a retirement reserve fund.

1 33. The contingent reserve fund shall be the fund in which shall
2 be credited contributions made by the State.

3 a. Upon the basis of such tables recommended by the actuary as
4 the commission adopts and regular interest, the actuary shall
5 compute annually the amount of the contribution, expressed as a
6 proportion of the salaries paid to all members, which if paid
7 monthly during the entire prospective service of the members, will
8 be sufficient to provide for the pension reserves required at the
9 time of the discontinuance of active service, to cover all pensions
10 to which they may be entitled or which are payable on their account
11 and to provide for the amount of the death benefits payable on
12 their account, which amount is not covered by other contributions
13 to be made as provided in this section and the funds in hand avail-
14 able for such benefits. This shall be known as the "normal
15 contribution."

16 b. Upon the basis of such tables recommended by the actuary
17 as the commission adopts and regular interest, the actuary shall
18 compute the amount of the unfunded liability as of June 30, 1973
19 which has accrued on the basis of services rendered prior to July 1,
20 1973 by all members, including the amount of the liability accrued
21 by reason of pensions to be granted on account of services
22 rendered by members, which has not already been covered by
23 previous State and county contributions to the Public Employees'
24 Retirement System transferred to the retirement system under
25 provisions of subsection d. Using the total amount of this unfunded
26 accrued liability he shall compute the amount of the flat annual
27 payment which, if paid in each succeeding fiscal year commencing
28 with July 1, 1974 for a period of 40 years, will provide for this
29 liability. This shall be known as the "accrued liability
30 contribution."

31 c. The actuary shall certify annually the aggregate amount
32 payable to the contingent reserve fund in the ensuing year, which
33 amount shall be equal to the sum of the proportion of the earnable
34 salary of all members, computed as described in subsection a.
35 hereof and of the State's accrued liability contribution, payable
36 in the ensuing year, as described in subsection b. hereof. The State
37 shall pay into the contingent reserve fund during the ensuing year
38 the amount so determined. In the event the amount certified to be
39 paid by the State includes amounts due for services rendered by
40 members to counties, the total amount so certified shall be paid to
41 the retirement system by the State; provided, however, the full

42 cost attributable to such services rendered to such counties shall
43 be computed separately by the actuary and the State shall be
44 reimbursed for such amounts by such counties.

45 The cash death benefits, payable as the result of contribution
46 by the State under the provisions of this act upon the death of a
47 member in active service and after retirement, shall be paid from
48 the contingent reserve fund.

49 d. Within 90 days following the effective date of this act, the
50 Public Employees' Retirement System of New Jersey shall transfer
51 that portion of the actuarial reserves established in that system
52 on the basis of contributions made by the State and counties on
53 behalf of those judges whose membership in the Public Employees'
54 Retirement System shall be terminated by provisions of this act
55 and whose retirement and death benefit coverage will be provided
56 by the Judicial Retirement System of New Jersey. The transfer
57 of the reserves to the retirement system established by this act
58 shall be accomplished upon certification by the consulting actuary
59 of the Public Employees' Retirement System of New Jersey as to
60 the amounts to be transferred.

1 34. The retirement reserve fund shall be the fund from which
2 all pensions shall be paid.

3 Upon the retirement of a member, the reserve needed to produce
4 the pension shall be transferred from the contingent reserve fund.
5 If the pension of a member who has been retired is subsequently
6 canceled, the appropriate reserve shall be transferred to the
7 contingent reserve fund.

8 Any surplus or deficit developing in the retirement reserve fund
9 shall be adjusted from time to time by transfer to or from the
10 contingent reserve fund by appropriate action of the retirement
11 system upon the advice of the actuary.

1 35. The retirement system at the end of each fiscal year shall
2 allow interest on the balance of the contingent reserve fund and the
3 retirement reserve fund as of the beginning of said fiscal year
4 at the regular interest rate applicable thereto to cover the interest
5 creditable to the respective funds for the year. The amount so
6 allowed shall be due and payable to said funds and shall be credited
7 annually.

1 36. Regular interest charges payable, the creation and mainte-
2 nance of reserves in the contingent reserve fund, the maintenance
3 of retirement reserves as provided for in this act and the payment
4 of all pensions and other benefits granted by the State House Com-
5 mission under the provisions of this act are hereby made obliga-
6 tions of the State. All income, interest and dividends derived from

7 deposits and investments authorized by this act shall be used for
8 the payment of these obligations of the State.

9 Upon the basis of such actuarial determination and appraisal
10 provided for in this act an itemized estimate of the amounts neces-
11 sary to be appropriated by the State to the various funds to provide
12 for the payment in full during the ensuing fiscal year of the
13 obligations of the State accruing during that year shall be sub-
14 mitted by the retirement system to the Governor so that it may
15 be included in the budget request submitted by the Governor to
16 the Legislature. The Legislature shall make an appropriation
17 sufficient to provide for such obligations of the State. The amounts
18 so appropriated shall be paid into the various funds created by
19 this act.

1 37. a. No other provisions of the law in any other statute which
2 provides wholly or partly at the expense of the State of New Jersey
3 or any political subdivision thereof for pensions or retirement
4 benefits for members of this system and for beneficiaries shall
5 apply to such members or beneficiaries.

6 b. Notwithstanding anything to the contrary, the retirement
7 system shall not be liable for the payment of any pensions or other
8 benefits to any member or beneficiary for which reserves have not
9 been previously created from funds contributed by the State for
10 such benefits.

1 38. Should any change or error in the records of this retirement
2 system result in any member or person receiving from the retire-
3 ment system more or less than he would have been entitled to
4 receive had the records been correct, the retirement system shall,
5 as far as practicable, correct such error and adjust the payments
6 in such manner that the actuarial equivalent of the benefit to which
7 the member or beneficiary was correctly entitled shall be paid.

1 39. Any member or any beneficiary who has been or, in the future,
2 may be retired, or receive a pension or benefit pursuant to the
3 provisions of this act, may, by filing written request with the retire-
4 ment system, waive payment of a portion of the pension or benefit
5 to which he may be entitled.

6 Upon the receipt of such waiver, and until the same is withdrawn,
7 altered or revoked by a subsequent written request, similarly filed,
8 the retirement system shall pay a reduced pension or benefit, as
9 shall be requested in such waiver. The member or the beneficiary
10 shall not be entitled to a refund, or credit, for such moneys as shall
11 have been waived during the period such waiver has been in effect.

1 40. If possible, whenever any retirant or beneficiary shall, in

2 writing, request the Division of Pensions to make deductions from
3 his pension for the purpose of paying premiums for the pensioners'
4 group health insurance plan or the State Health Benefits program,
5 the division may make such deductions and transmit the sums so
6 deducted to the companies carrying the policies. Any such written
7 authorization may be withdrawn by any retirant or beneficiary upon
8 filing notice of such withdrawal with the division.

1 41. The right of a person to a pension or any benefit or right
2 accrued or accruing to a person under the provisions of this act and
3 the moneys in the various funds created under this act, shall be
4 exempt from any State or municipal tax and from levy and sale,
5 garnishment, attachment or any other process arising out of any
6 State or Federal court, and, except as hereinafter in this section
7 and as in this act otherwise provided, shall be unassignable.

8 Nothing in this section shall prohibit any person insured under
9 a group insurance policy, pursuant to an arrangement among the
10 insured, the group policy-holder and the insurer, from making to
11 any person other than his employer, a gift assignment of the rights
12 and benefits conferred on him by any provision of such policy or
13 by law including specifically but not by way of limitation the right
14 to exercise the conversion privilege and the right to name a
15 beneficiary. Any such assignment, whether made before or after
16 the effective date of this act, shall entitle the insurer to deal with
17 the assignee as the owner of all rights and benefits conferred on
18 the insured under the policy in accordance with the terms of the
19 assignment.

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

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

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

21 Except with regard to the payment of one-fourth of final salary
22 upon the death of a retirant as provided in sections 19 and 20, a
23 member may elect, by making written request to the retirement
24 system, that the whole or any part of his death benefits be made
25 payable to his beneficiary either as a life annuity or in equal
26 installments over a period of years specified in such election, and
27 may alter such election from time to time during his lifetime by
28 again making such written request. In the event of a change of
29 beneficiary, any previous arrangement by the member or retirant
30 under this paragraph shall be void. The election set forth in this
31 paragraph shall not apply or be available when the beneficiary
32 is an estate, or corporation, partnership, association, institution,
33 trustee, or any fiduciary.

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

1 43. For the purposes of section 17b. a member shall be deemed
2 to be an active member for a period of no more than 93 days while
3 on official leave of absence without pay when such leave is due to
4 any reason other than illness, or for a period of no more than 2
5 years while on an official leave of absence without pay if satisfactory
6 evidence is presented to the retirement system that such leave of
7 absence without pay is due to the member's personal illness.

8 If a member dies within 30 days after the date of retirement or
9 the date of commission approval, whichever is later, a death benefit
10 shall be payable only if he is deemed to be an active member in
11 accordance with this section; provided, however, a member apply-
12 ing for disability benefits shall be deemed an active member if he
13 was covered by the death benefit provisions of the act at the termi-
14 nation of employment, filed the application for disability retirement
15 with the retirement system within 30 days following such termina-
16 tion of employment and dies within 30 days after the date of retire-
17 ment or the date of commission approval, whichever is later.

1 44. Any other provision of this act notwithstanding, (a) no
2 beneficiary of a retirant who retired for any reason other than

3 disability shall be entitled to receive benefits pursuant to the death
 4 benefit coverages provided by sections 19 and 20 of this act if the
 5 retirant had less than 10 years of service credit for retirement
 6 purposes at the time of retirement; and (b) no member or bene-
 7 ficiary shall be entitled to receive a monthly pension or other benefit
 8 payable pursuant to this act unless the amount of the pension or
 9 benefit would be at least \$25.00 per month.

1 45. The following acts and parts of acts, and all amendments
 2 thereof, are repealed:

- 3 a. P. L. 1948, c. 391 (C. 43:6-6.4 to 43:6-6.10)
- 4 b. P. L. 1949, c. 178 (C. 43:9-25 to 43:9-27)
- 5 c. P. L. 1949, c. 181 (C. 43:9-24)
- 6 d. P. L. 1955, c. 10 (C. 43:9-27.1)
- 7 e. Sections 1, 2, 3, 4, 5 and 6 of P. L. 1957, c. 206 (C. 43:15A-121
 8 to 43:15A-126)
- 9 f. P. L. 1961, c. 42 (C. 43:9-27.2)
- 10 g. Sections 2, 3, 4, 5, 6, 7, and 8 of P. L. 1963, c. 36 (C. 2A:3-21.2
 11 to 2A:3-21.8)
- 12 h. P. L. 1963, c. 78 (C. 43:6-6.12)
- 13 i. P. L. 1963, c. 183 (C. 43:6-6.13 to 43:6-6.17)
- 14 j. P. L. 1964, c. 135 (C. 43:6-6.18 to 43:6-6.22)
- 15 k. P. L. 1964, c. 149 (C. 43:6-6.23 to 43:6-6.26)
- 16 l. P. L. 1964, c. 250 (C. 43:6-6.27 to 43:6-6.29)
- 17 m. P. L. 1965, c. 147 (C. 2A:3-21.7a)
- 18 n. P. L. 1967, c. 133 (C. 43:6-6.37, 43:6-6.38)
- 19 o. P. L. 1967, c. 290 (C. 2A:3-21.9)
- 20 p. P. L. 1968, c. 15 (C. 2A:3-21.10)
- 21 q. P. L. 1968, c. 232 (C. 43:6-6.39 to 43:6-6.41)
- 22 r. P. L. 1969, c. 210 (C. 2A:3-21.11 to 2A:3-21.13).

1 46. The repeal of the foregoing laws is subject to the following
 2 provisos:

- 3 a. Any person retired under any of the provisions of said acts
 4 and receiving or entitled to receive benefits thereunder, prior to
 5 their repeal, shall continue to receive the same benefits or shall
 6 continue to be entitled to receive the same benefits and to the same
 7 extent, as if such acts had not been repealed.
- 8 b. Any beneficiary receiving an allowance or eligible to receive
 9 an allowance under such acts shall continue to receive or be eligible
 10 to receive such allowance as provided under such acts.
- 11 c. Any person electing to have deductions for health insurance
 12 subtracted from his pension shall continue to have such deductions
 13 subtracted as if such acts had not been repealed.

14 d. Any person who, as of the effective date of this act, meets
15 the requirements for retirement under such acts, may make such
16 application within 30 days after such effective date and be retired
17 on or before the effective date of this act, as if such acts had not
18 been repealed. He shall thereafter receive benefits to the same
19 extent as if such acts had not been repealed.

20 e. If any person covered under such acts dies prior to their
21 repeal, but before retirement, his eligible beneficiaries shall receive
22 the benefits provided by such acts to the same extent as if such acts
23 had not been repealed.

24 f. All benefits payable pursuant to this section, shall, following
25 the effective date of this act, be paid in equal monthly installments.
26 No pension shall be due to a retirant or a beneficiary unless it con-
27 stitutes a payment for an entire month.

28 g. As of the effective date of this act, all contributions made by
29 any judge pursuant to section 8, P. L. 1965, c. 74 (C. 43:6-6.4) shall
30 be returned to him.

1 47. This act shall take effect immediately.

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SENATE, No. 536

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 7, 1972

By Senators THOMAS, WOODCOCK, MARAZITI
and MERLINO

Referred to Committee on Judiciary

AN ACT establishing the judicial retirement system, specifying contributions to be paid and benefit rights therein; and repealing sundry acts and parts of acts.

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 "Judicial
2 Retirement System Act."

1 2. If any provision, section, or part of any section of this act is
2 declared to be unconstitutional, the same shall not be held to affect
3 any other section or provision of this act, and the remainder of this
4 act shall in no wise thereby be invalidated.

1 3. As used in this act:

2 a. "Beneficiary" means any person entitled to receive any
3 benefit pursuant to the provisions of this act by reason of the death
4 of a member or retirant.

5 b. "Child" means a deceased member's unmarried child either
6 (a) under the age of 18 or (b) of any age who, at the time of the
7 member's death, is disabled because of mental retardation or physi-
8 cal incapacity, is unable to do any substantial, gainful work because
9 of the impairment and his impairment has lasted or can be expected
10 to last for a continuous period of not less than 12 months, as
11 affirmed by the medical board.

12 c. "Dependent parent" means the parent of a member who was
13 receiving at least 1/2 of his support from the member in the 12-
14 month period immediately preceding the member's death. The
15 dependency of such parent will be considered terminated by
16 marriage of the parent subsequent to the death of the member.

17 d. "Final salary" means the average salary received by the

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

18 member in the last 12 months of service preceding his retirement
19 or death.

20 e. "Fiscal year" means any year commencing with July 1 and
21 ending with June 30 next following.

22 f. "Medical board" means the board of physicians provided for
23 in this act.

24 g. "Member" means the Chief Justice and associate justices of
25 the supreme court, judges of the superior court, county courts,
26 county district courts and juvenile and domestic relations courts of
27 the State of New Jersey required to be enrolled in the retirement
28 system established by this act.

29 For purposes of this act, the person holding the office of standing
30 master by appointment pursuant to P. L. 1948, c. 382 or N. J. S.
31 2A:1-7 shall have the same privileges and obligations under this act
32 as a judge of a county court.

33 h. "Pension" means payment for life derived from contribu-
34 tions by the State. All pensions shall be paid in equal monthly in-
35 stallments.

36 i. "Pension reserve" means the present value of all payments to
37 be made on account of any pension or benefit in lieu of any pension
38 computed on the basis of such mortality tables recommended by the
39 actuary as shall be adopted by the State House Commission and
40 regular interest.

41 j. "Regular interest" means interest as determined from time
42 to time by the State House Commission with the advice of the
43 actuary. The regular interest rate shall be limited to a minimum
44 of 3% and a maximum of 4% per annum.

45 k. "Retirement system" herein refers to the "Judicial Retire-
46 ment System of New Jersey," which is the corporate name of the
47 arrangement for the payment of pensions and other benefits under
48 the provisions of this act and for the system including the several
49 funds created and placed under the State House Commission. By
50 that name, all of its business shall be transacted, its funds invested,
51 warrants for money drawn, and payments made and all of its cash
52 and securities and other property held.

53 l. "Service" means public service rendered for which credit is
54 allowed on the basis of contributions made by the State.

55 m. "Several courts" means the Supreme, Superior, County,
56 county district and juvenile and domestic relations courts.

57 n. "Widow" means the woman to whom a member was married
58 until the date of his death and who has not remarried subsequent
59 to the member's death.

1 4. There is hereby established the "Judicial Retirement System
2 of New Jersey" in the Division of Pensions of the Department of
3 the Treasury. It shall have the powers and privileges of a corpora-
4 tion. Its purposes is to provide pensions and other benefits for its
5 members and their beneficiaries in accordance with the provisions
6 of this act.

1 5. The membership of the retirement system shall include:

2 a. The Chief Justice and the associate justices of the supreme
3 court;

4 b. Any judge of the superior court;

5 c. Any judge of the county court **who elects to be a member
5A pursuant to section 37 of this act**;

6 d. Any judge of the county district court, who is required by law
7 to devote his entire time to his judicial duties ***[and]* ***, is pro-
8 hibited from practice of law **and who elects to be a member pur-
8A suant to section 37 of this act**; and

9 e. Any judge of the juvenile and domestic relations court of any
10 county, who is required by law to devote his entire time to his
11 judicial duties ***[and]* ***, is prohibited from practice of law **and
11A who elects to be a member pursuant to section 37 of this act**.

12 ***[Membership in the retirement system is a condition for judicial
13 service for the members of the Judiciary herein listed.]***

14 Membership in the retirement system shall cease upon retire-
15 ment, death or resignation.

1 6. Not more than 1 year shall be credited for all service in a
2 calendar year. In computing years of service, any service for which
3 the member did not receive compensation shall be disregarded.
4 Only service as a public employee of New Jersey shall be
5 considered.

1 7. Any member of the retirement system who has reached the
2 age of 70 years shall be retired on the first day of the next calendar
3 month. Any other eligible member of the retirement system may
4 be retired, but not less than 30 days subsequent to the filing of a
5 written and duly executed application with the retirement system.
6 Such application shall be accompanied by a copy of the member's
7 resignation from his judicial office which he has filed in the office of
8 the Secretary of State.

1 8. a. Any member who shall have served at least 10 years as a
2 judge of the several courts and having attained the age of 70 years,
3 shall be retired.

4 b. Any member who shall have served at least 15 years as a
5 judge of the several courts and having attained the age of 65 years
6 but not the age of 70 years, may retire.

7 c. Any member who shall have served at least 20 years as a
8 judge of the several courts and having attained the age of 60 years
9 but not the age of 65 years, may retire.

10 d. Any member serving as a judge of the several courts upon
11 the effective date of this act who shall have served at least 9 years
12 successively as such judge and shall have obtained the age of 70
13 years while serving in such office and shall have served at least 30
14 years in the aggregate, including such service as a judge of the
15 several courts, or in office, position, or employment of this State
16 or of a county, municipality, board of education or public agency
17 of this State, shall be retired.

18 e. Service in the several courts as given in subsections a., b. and
19 c. of this section shall include service in the office of the Chancellor,
20 Chief Justice of the old Supreme Court, associate justice of the old
21 supreme court, judge of the circuit court, Vice-Chancellor, judge
22 of the court of errors and appeals, judge of the court of common
23 pleas, and advisory master to the superior court.

24 f. Any member of the retirement system eligible to retire under
25 the provisions of this section, shall receive an annual pension dur-
26 ing the remainder of his life in the amount equal to $\frac{3}{4}$ of his final
27 salary.

1 9. a. Any judge of a county court, county district court or
2 juvenile and domestic relations court, who shall have served at least
3 5 years successively as such judge and shall have attained the age
4 of 65 years or more while serving in such office and shall have served
5 at least 15 years in the aggregate, including such service as a judge
6 of a county court, county district court, juvenile and domestic rela-
7 tions court, or in office, position, or employment of this State or of
8 a county, municipality, board of education or public agency of this
9 State, may retire.

10 b. Any judge of a county court, county district court or juvenile
11 and domestic relations court, who shall have served at least 5 years
12 successively as such judge and shall have attained the age of 60
13 years or more while serving in such office and shall have served at
14 least 20 years in the aggregate, including such service as a judge of
15 a county court, county district court, juvenile and domestic rela-
16 tions court, or in office, position, or employment of this State or of a
17 county, municipality, board of education or public agency of this
18 State, may retire.

19 c. Any member of the retirement system, eligible to retire under
20 the provisions of this section, shall receive an annual pension
21 during the remainder of his life in an amount equal to $\frac{1}{2}$ of his
22 final salary.

1 10. Should any member resign, or fail of reappointment who
2 shall have served at least 5 years successively as a judge of the
3 several courts and at least 25 years in the aggregate, including such
4 service as a judge or in office, position, or employment of this State
5 or a county, municipality, board of education, or public agency of
6 this State, before reaching age 60, he may elect to receive a pension
7 in the amount of 2% of his final salary multiplied by his number of
8 years of service up to 25 plus 1% of his final salary multiplied by
9 his number of years of service over 25; provided, however, that
10 such pension shall be reduced in accordance with a table of actuarial
11 equivalents recommended by the actuary and adopted by the State
12 House Commission reflecting all months that the member lacks of
13 being age 60.

1 11. Should any member resign, or fail of reappointment who
2 shall have served at least 5 years successively as a judge of the
3 several courts and at least 15 years in the aggregate, including such
4 service as a judge or in office, position, or employment of this State
5 or a county, municipality, board of education, or public agency of
6 this State, before reaching age 60, and not by removal for cause or
7 charges of misconduct or delinquency, he may elect to receive a
8 deferred pension, beginning at age 60, in the amount of 2% of his
9 final salary multiplied by his number of years of service up to 25
10 plus 1% of his final salary multiplied by his number of years of
11 service over 25, provided that such election is communicated by
12 such member to the retirement system in writing stating at what
13 time subsequent to the execution and filing thereof he desires to be
14 retired; and provided further, that such member, if eligible, may
15 later elect to receive payments provided under section 10.

16 No beneficiary shall be eligible for a pension if the member who
17 elected to receive a deferred pension shall die before attaining age
18 60.

19 Any member who, having elected to receive a deferred pension,
20 again becomes a member while under the age of 60, shall thereupon
21 be reenrolled. He shall be credited with all services as a member
22 standing to his credit at the time of his election to receive a de-
23 ferred pension.

1 12. Whenever the Supreme Court shall certify to the Governor,
2 or upon the written application by a member of the retirement
3 system, any member who shall have served as a judge of the several
4 courts, may be retired for disability if the member has become
5 physically or otherwise incapacitated for full and efficient service
6 to the State in his judicial capacity. The Governor shall thereupon
7 refer the disability claim to the medical board of retirement system,

8 which shall designate a physician or physicians to examine the
9 member and report to the Governor as to his physical or other
10 disability and whether in all reasonable probability, if they find the
11 disability existent, it will continue permanently and does and will
12 continue to prevent the member from giving full and efficient service
13 in the performance of his judicial duties. If the report of the
14 medical board confirms the existence of the disability, and if the
15 Governor recommends retirement, the claim shall be presented to
16 the State House Commission.

17 Upon approval by the State House Commission, the member
18 shall be retired and he shall receive an annual pension during the
19 remainder of his life in an amount equal to $\frac{3}{4}$ of his final salary.

1 13. a. No member of the retirement system shall, while receiving
2 a pension pursuant to this act, engage in the practice of law before
3 any of the courts of this State.

4 b. Any judge retired on pension, except a judge of a municipal
5 court, who has not attained the age of 70 years, may, with his
6 consent, be assigned by the Chief Justice to sit in any court but the
7 Supreme Court, or in the case of a retired justice of the supreme
8 court, to sit in any court.

9 c. Upon such assignment the retired judge shall have all the
10 powers of a judge or justice of the court to which he is assigned
11 and shall be paid a per diem allowance to be fixed by the Chief
12 Justice at a rate which for a court year together with his pension,
13 shall not exceed the current salary of the court from which he
14 retired. In addition such judge or justice shall be reimbursed for
15 all reasonable expenses actually incurred in connection with such
16 assignment. Such per diem compensation and expenses shall be
17 paid by the State.

18 d. Payment for such service shall be made in the same manner as
19 is compensation of the active judges of the court from which he
20 retired.

1 14. a. Any judge who ~~*[is required]~~* **elects pursuant to*
2 *section 37 of this act,** to be a member of the retirement
2A system established by this act and who holds membership in a
3 retirement system established pursuant to any other law of this
4 State shall cease to be a member of such other retirement system
5 as of the ~~*[effective date of this act.~~ Any person becoming a judge
6 of the several courts after the effective date of this act, who holds
7 membership in a retirement system established pursuant to any
8 other law of this State shall cease to be a member of such other
9 retirement system on the date he becomes such judge.

10 b. Any such judge shall, upon his request, receive a refund of
11 his **]** **date of such election and his** contributions to such retire-
12 ment system, without interest, less any unpaid balance of an out-
13 standing loan, ***[**as of the effective date of this act or the date on
14 which he becomes such judge, whichever is later. If any such judge
15 shall be eligible for benefits under any such retirement system
16 as of the effective date of this act, or if later, as of the date he
17 becomes such judge, he may elect to receive an annuity based
18 on his own contributions while continuing to serve as such judge;
19 provided, however, that if any such judge shall subsequently elect
20 to receive benefits under the provisions of this act, all rights to
21 retirement and death benefits under any other law of this State
22 shall thereby be terminated except as hereinafter provided in sub-
22A section c.

23 c. If any such judge elects to receive benefits pursuant to the
24 provisions of this act after having received benefits from a retire-
25 ment system established pursuant to another law of this State, such
26 judge shall be entitled to receive the value of his contributions,
27 without interest, to such other retirement system reduced by the
28 value of any benefits received from such retirement system.

29 If any such judge dies in service before he could elect to receive
30 the benefits pursuant to the provisions of this act, after having
31 received benefits from a retirement system established pursuant to
32 another law of this State, his eligible beneficiary shall be entitled
33 to receive the value of the member's contributions, without interest,
34 to such other retirement system reduced by the value of any benefits
35 received by the judge from such retirement system **]** **shall be*
36 *transferred to the actuarial reserves of the retirement system*
37 *established by this act*.*

1 15. No public employee veteran eligible for membership in the
2 retirement system established by this act shall be eligible for, or
3 receive, retirement benefits under R. S. 43:4-1, 43:4-2 and 43:4-3.

1 16. All pensions granted under the provisions of this act shall be
2 effective only on the first day of a month, shall be paid in equal
3 monthly installments, and shall not be decreased, increased,
4 revoked, or repealed, except as otherwise provided in this act.

5 Upon the death of a retirant, any unpaid benefits due him shall
6 be paid in one lump sum to his beneficiary. No pension shall be due
7 to a retirant or a beneficiary unless it constitutes a payment for an
8 entire month.

1 17. Upon the receipt of proper proofs of the death in service of
2 a member of the retirement system, there shall be paid to his widow
3 a pension of 25% of final salary for the use of herself, to continue

4 during her widowhood, plus 10% of final salary payable to one
5 surviving child or plus 15% of final salary to two or more surviving
6 children; if there is no surviving widow or in case the widow dies
7 or remarries, 15% of final salary will be payable to one surviving
8 child, 20% of final salary to two surviving children in equal shares
9 and if there be three or more children, 30% of final salary will be
10 payable to such children in equal shares.

11 If there is no surviving widow or child, 20% of final salary will be
12 payable to one surviving dependent parent or 30% of final salary
13 will be payable to two surviving dependent parents in equal shares.

1 18. Upon the receipt of proper proofs of the death after retire-
2 ment of a member of the retirement system, there shall be paid to
3 his widow a pension of 25% of final salary for the use of herself, to
4 continue during her widowhood, plus 10% of final salary payable to
5 one surviving child or plus 15% of final salary to two or more
6 surviving children; if there is no surviving widow or in case the
7 widow dies or remarries, 15% of final salary will be payable to one
8 surviving child, 20% of final salary to two surviving children in
9 equal shares and if there be 3 or more children, 30% of final salary
10 will be payable to such children in equal shares.

1 19. Upon the receipt of proper proofs of the death of a member
2 who has retired on a pension based on age and service, or pursuant
3 to sections 10 and 11, there shall be paid to such member's bene-
4 ficiary, an amount equal to $\frac{1}{4}$ of the final salary received by the
5 member.

1 20. Upon the receipt of proper proofs of the death of a member
2 who has retired on a disability pension, there shall be paid to such
3 member's beneficiary, an amount equal to $\frac{1}{4}$ of the final salary
4 received by the member.

1 21. a. Subject to the provisions of P. L. 1955, c. 70 (C. 52:18A-95
2 to 52:18A-104), the general responsibility for the proper operation
3 of the retirement system is hereby vested in the State House
4 Commission.

5 b. Except as otherwise herein provided, no member of the State
6 House Commission shall have any direct interest in the gains or
7 profits of any investments of the retirement system, nor shall any
8 member of the State House Commission directly or indirectly, for
9 himself or as an agent in any manner use the moneys of the retire-
10 ment system, except to make such current and necessary payments
11 as are authorized by the commission; nor shall any member of the
12 State House Commission become an indorser or surety, or in any
13 manner an obligor for moneys loaned to or borrowed from the
14 retirement system.

15 c. For purposes of this act, each member of the State House Com-
16 mission shall be entitled to one vote and a majority vote of all
17 members present shall be necessary for any decision by said com-
18 mission for the transaction of its business.

19 d. Subject to the limitations of this act, the State House Com-
20 mission shall, from time to time, establish rules and regulations for
21 the administration of the funds created by this act and for the
22 transaction of its business.

23 e. The commission shall designate an actuary who shall be the
24 technical adviser of the commission on matters regarding the opera-
25 tion of the funds created by the provisions of this act and shall
26 perform such other duties as are required in connection herewith.

27 f. The Attorney General shall be the legal adviser of the retire-
28 ment system.

29 g. The Director of the Division of Pensions of the State Depart-
30 ment of the Treasury shall be the secretary of the commission for
31 purposes pertaining to the provisions of this act.

32 h. For purposes of this act, the State House Commission shall
33 keep a record of all of its proceedings which shall be open to public
34 inspection. It shall publish annually a report showing the fiscal
35 transactions of the retirement system for the preceding year, the
36 amount of the accumulated cash and securities of the system and
37 the last balance sheet showing the financial condition of the system
38 by means of any actuarial valuation of the assets and liabilities of
39 the retirement system.

40 i. The State House Commission shall designate a medical board
41 to be composed of three physicians. As required, other physicians
42 may be employed to examine members where medical evidence is
43 prescribed. The medical board shall pass on all medical examina-
44 tions required under the provisions of this act, and shall report in
45 writing to the State House Commission its conclusions and recom-
46 mendations upon all matters referred to it.

1 22. a. The State House Commission shall be and is hereby con-
2 stituted the trustee of all the various funds established by this act
3 except the group insurance premium fund; provided, however, that
4 all functions, powers, and duties relating to the investment or rein-
5 vestment of moneys of, and purchase, sale, or exchange of any in-
6 vestments or securities, of or for any fund established under this
7 act, shall be exercised and performed by the Director of the Divi-
8 sion of Investment in accordance with the provisions of P. L. 1950,
9 c. 270 (C. 52:18A-79 et seq.).

10 b. The secretary of the commission shall determine from time to
11 time the cash requirements of the various funds established by this

12 act and the amount available for investment, all of which shall be
13 certified to the State Treasurer and the Director of the Division
14 of Investment.

15 c. The Treasurer of the State of New Jersey shall be the cus-
16 todian of the several funds. All payments from said funds shall
17 be made by him only upon vouchers signed by the secretary. A duly
18 attested copy of the resolution of the State House Commission
19 bearing on its face the specimen signature of the secretary shall
20 be filed with the treasurer as his authority for making payments
21 upon such vouchers.

22 d. The administration of the program shall be performed by the
23 personnel of the Division of Pensions of the State Department of
24 the Treasury and the costs of administration shall be borne by the
25 State.

1 23. The actuary appointed by the commission shall recommend
2 such data as shall be necessary for actuarial valuation of the
3 various funds created by this act. Once in every 3-year period after
4 the effective date of this act, the actuary shall make an actuarial
5 investigation into the mortality, service and salary experience of
6 the members and beneficiaries and shall make a valuation of the
7 assets and liabilities of the various funds created by this act. Upon
8 the basis of such investigation and valuation the commission shall
9 adopt for the retirement system such mortality, service and other
10 tables as shall be deemed necessary.

11 Immediately after the establishment of the retirement system the
12 actuary shall prepare and submit to the commission the mortality
13 and service tables which he recommends for adoption. The com-
14 mission shall adopt such tables as it deems necessary in accordance
15 with this recommendation.

1 24. Under this act there shall be established a contingent reserve
2 fund and a retirement reserve fund.

1 25. The contingent reserve fund shall be the fund in which shall
2 be credited contributions made by the State.

3 a. Upon the basis of such tables recommended by the actuary as
4 the commission adopts and regular interest, the actuary shall com-
5 pute annually the amount of the contribution, expressed as a pro-
6 portion of the salaries paid to all members, which if paid monthly
7 during the entire prospective service of the members, will be
8 sufficient to provide for the pension reserves required at the time
9 of the discontinuance of active service to cover all pensions to
10 which they may be entitled or which are payable on their account
11 and to provide for the amount of the death benefits payable on their
12 account by the State, which are not covered by accrued liability

13 contributions, to be made as provided in subsection b. hereof, and
14 the funds in hand available for such benefits.

15 b. Upon the basis of such tables recommended by the actuary as
16 the commission adopts and regular interest, the actuary shall
17 compute annually, the amount of the liability which has accrued by
18 reason of pensions to be granted on account of services rendered by
19 members, which has not already been covered by previous State and
20 county contributions to the Public Employees' Retirement System
21 transferred to the retirement system under provisions of subsection
22 d. Using the total amount of this liability remaining as a basis, he
23 shall compute the amount of the flat annual payment, which, if paid
24 in each succeeding fiscal year, commencing with July 1, 1970, for a
25 period of 20 years, will provide for this liability.

26 c. The actuary shall certify annually the aggregate amount pay-
27 able to the contingent reserve fund in the ensuing year, which
28 amount shall be equal to the sum of the proportion of the earnable
29 salary of all members, computed as described in subsection a.
30 hereof and of the State's accrued liability contribution, payable in
31 the ensuing year, as described in subsection b. hereof. The State
32 shall pay into the contingent reserve fund during the ensuing year
33 the amount so determined. In the event the amount certified to be
34 paid by the State includes amounts due for services rendered by
35 members to counties, the total amount so certified shall be paid to
36 the retirement system by the State; provided, however, the full
37 cost attributable to such services rendered to such counties shall be
38 computed separately by the actuary and the State shall be reim-
39 bursed for such amounts by such counties.

40 The cash death benefits, payable as the result of contribution by
41 the State under the provisions of this act upon the death of a
42 member in active service and after retirement shall be paid from
43 the contingent reserve fund.

44 d. ***[Within 90 days following the effective date of this act,]***
45 **With respect to any judge whose membership in the Public Em-*
46 *ployees' Retirement System shall be terminated pursuant to the*
47 *provisions of this act, and whose retirement and death benefit*
48 *coverage will be provided by the Judicial Retirement System of*
49 *New Jersey,** the Public Employees' Retirement System ***[of New**
50 **Jersey]*** shall*, *within 90 days thereafter,** transfer that portion
51 of the actuarial reserves established in that system on the basis
52 of contributions made by the State and ***[counties]*** **any county**
53 on behalf of ***[those judges]*** **such judge to the Judicial Retire-*
54 *ment System.** ***[whose membership in the Public Employees' Re-**
55 **tirement System shall be terminated by provisions of this act and**

56 whose retirement and death benefit coverage will be provided by
57 the Judicial Retirement System of New Jersey. The transfer of
58 the reserves to the retirement system established by this act shall
59 be accomplished upon certification by the consulting actuary of the
60 Public Employees' Retirement System of New Jersey as to the
61 amounts to be transferred]*.

1 26. The retirement reserve fund shall be the fund in which shall
2 be held the reserves on all pensions granted to members or their
3 beneficiaries and from which all pensions shall be paid.

4 Upon the retirement of a member, the reserve needed to produce
5 the pension shall be transferred from the contingent reserve fund.
6 If the pension of a member who has been retired is subsequently
7 canceled, the appropriate reserve shall be transferred to the con-
8 tingent reserve fund.

9 Any surplus or deficit developing in the retirement reserve fund
10 shall be adjusted from time to time by transfer to or from the
11 contingent reserve fund by appropriate action of the State House
12 Commission with the advice of the actuary.

1 27. The retirement system at the end of each fiscal year shall
2 allow interest on the balance of the contingent reserve fund and the
3 retirement reserve fund as of the beginning of said fiscal year at
4 the regular interest rate applicable thereto to cover the interest
5 creditable to the respective funds for the year. The amount so
6 allowed shall be due and payable to said funds and shall be credited
7 annually.

1 28. Regular interest charges payable, the creation and main-
2 tenance of reserves in the contingent reserve fund, the maintenance
3 of retirement reserves as provided for in this act and the payment
4 of all pensions and other benefits granted by the State House Com-
5 mission under the provisions of this act are hereby made obliga-
6 tions of the State. All income, interest and dividends derived from
7 deposits and investments authorized by this act shall be used for
8 the payment of these obligations of the State.

9 Upon the basis of each actuarial determination and appraisal
10 provided for in this act an itemized estimate of the amounts
11 necessary to be appropriated by the State to the various funds to
12 provide for the payment in full during the ensuing fiscal year of
13 the obligations of the State accruing during that year shall be
14 submitted by the secretary to the Governor so that it may be
15 included in the budget request submitted by the Governor to the
16 Legislature. The Legislature shall make an appropriation sufficient
17 to provide for such obligations of the State. The amounts so appro-
18 priated shall be paid into the various funds created by this act.

1 29. a. No other provisions of the law in any other statute which
2 provides wholly or partly at the expense of the State of New Jersey
3 or any political subdivision thereof for pensions or benefits for
4 members of this system and for beneficiaries shall apply to such
5 members or beneficiaries.

6 b. Notwithstanding anything to the contrary, the retirement
7 system shall not be liable for the payment of any pensions or other
8 benefits to any member or beneficiary for which reserves have not
9 been previously created from funds contributed by the State for
10 such benefits.

1 30. Should any change or error in the records of this retirement
2 system result in any member or person receiving from the retire-
3 ment system more or less than he would have been entitled to
4 receive had the records been correct, the State House Commission
5 shall, as far as practicable, correct such error and adjust the pay-
6 ments in such manner that the actuarial equivalent of the benefit
7 to which such member or beneficiary was correctly entitled shall be
8 paid.

1 31. Any member or any beneficiary who has been or, in the
2 future, may be retired, or receive a pension or benefit pursuant to
3 the provisions of this act, may, by filing written request with the
4 retirement system, waive payment of a portion of the pension or
5 benefit to which he may be entitled.

6 Upon the receipt of such waiver, and until the same is withdrawn,
7 altered or revoked by a subsequent written request, similarly filed,
8 the retirement system shall pay a reduced pension or benefit, as
9 shall be requested in such waiver. The member or the beneficiary
10 shall not be entitled to a refund, or credit, for such moneys as shall
11 have been waived during the period such waiver has been in effect.

1 32. Whenever any person shall, in writing, request and authorize
2 the retirement system to make deductions from his pension for the
3 purpose of paying premiums for any hospital service plan and any
4 medical-surgical plan which meets the minimum participation
5 requirements established by rules and regulations of the State
6 House Commission, the retirement system may make such deduc-
7 tions and transmit the sums so deducted directly to the company
8 carrying the policy or policies. Any such authorization may be
9 withdrawn by any member upon filing written notice of such with-
10 drawal with the retirement system.

1 33. The right of a person to a pension or any benefit or right
2 accrued or accruing to a person under the provisions of this act
3 and the moneys in the various funds created under this act, shall be
4 exempt from any State or municipal tax and from levy and sale,

5 garnishment, attachment or any other process arising out of any
6 State or Federal Court, and, except as in this act otherwise pro-
7 vided, shall be unassignable.

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

10 Except as otherwise provided in this act, if more than one bene-
11 ficiary is nominated and in such nomination the member or retirant
12 has failed to specify their respective interests, the beneficiaries
13 shall share equally. If any beneficiary predeceases the member or
14 retirant, the interest of such beneficiary shall terminate and shall
15 be shared equally by such of the beneficiaries as survive the member
16 or retirant, unless the member or retirant has made written request
17 to the contrary in his beneficiary nomination.

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

21 Except with regard to the payment, upon the death of a retirant,
22 of the death benefits provided in section 19, or with regard to the
23 payment, upon the death of a retirant of the death benefit provided
24 in section 20, or except as otherwise provided in this act, a member
25 may elect, by making written request to the retirement system, that
26 the whole or any part of his death benefits be made payable to his
27 beneficiary either as a life annuity or in equal installments over a
28 period of years specified in such election, and may alter such elec-
29 tion from time to time during his lifetime by again making such
30 written request. In the event of a change of beneficiary, any
31 previous arrangement by the member or retirant under this para-
32 graph shall be void. The election set forth in this paragraph shall
33 not apply or be available when the beneficiary is an estate, or a
34 corporation, partnership, association, institution, trustee, or any
35 fiduciary.

36 If, at the member's retirant's death, an amount of death benefit
37 would be payable to the beneficiary in a single sum, any election
38 with regard to such amount which was available to the member or
39 retirant immediately prior to his death in accordance with the

40 provisions of the immediately preceding paragraph shall then be
41 available to such beneficiary for the benefit of such beneficiary.

42 The provisions of this section shall be construed separately with
43 respect to each of the death benefits for which a beneficiary is
44 designated by the member or retiree.

1 35. The following acts and parts of acts, and all amendments
2 thereof, are repealed:

3 a. P. L. 1948, c. 391 (C. 43:6-6.4 to 43:6-6.10)

4 b. P. L. 1949, c. 178 (C. 43:9-25 to 43:9-27)

5 c. P. L. 1949, c. 181 (C. 43:9-24)

6 d. P. L. 1955, c. 10 (C. 43:9-27.1)

7 e. Sections 1, 2, 3, 4, 5 and 6 of P. L. 1957, c. 206 (C. 43:15A-121
8 to 43:15A-126)

9 f. P. L. 1961, c. 42 (C. 43:9-27.2)

10 g. Sections 2, 3, 4, 5, 6, 7, and 8 of P. L. 1963, c. 36 (C. 2A:3-21.2
11 to 2A:3-21.8)

12 h. P. L. 1963, c. 78 (C. 43:6-6.12)

13 i. P. L. 1963, c. 183 (C. 43:6-6.13 to 43:6-6.17)

14 j. P. L. 1964, c. 135 (C. 43:6-6.18 to 43:6-6.22)

15 k. P. L. 1964, c. 149 (C. 43:6-6.23 to 43:6-6.26)

16 l. P. L. 1964, c. 250 (C. 43:6-6.27 to 43:6-6.29)

17 m. P.L. 1965, c. 147 (C. 2A:3-21.7a)

18 n. P. L. 1967, c. 133 (C. 43:6-6.37, 43:6-6.38).

1 36. The repeal of the foregoing laws is subject to the following
2 provisos:

3 a. Any person retired under any of the provisions of said acts
4 and receiving or entitled to receive benefits thereunder, prior to
5 their repeal, shall continue to receive the same benefits or shall
6 continue to be entitled to receive the same benefits and to the same
7 extent, as if such acts had not been repealed.

8 b. Any beneficiary receiving an allowance or eligible to receive
9 an allowance under such acts shall continue to receive or be eligible
10 to receive such allowance as provided under such acts.

11 c. Any person electing to have deductions for medical and
12 hospital insurance subtracted from his pension shall continue to
13 have such deductions subtracted as if such acts had not been
14 repealed.

15 d. Any person who, as of the effective date of this act, meets the
16 requirements for retirement under such acts, may make such
17 application within 30 days after such effective date and be retired
18 on or before the effective date of this act, as if such acts had not
19 been repealed. He shall thereafter receive benefits to the same
20 extent as if such acts had not been repealed.

21 e. If any person covered under such acts dies prior to their
22 repeal, but before retirement, his eligible beneficiaries shall receive
23 the benefits provided by such acts to the same extent as if such
24 acts had not been repealed.

25 f. The repeal of P. L. 1948, c. 391, s. 1 (C. 43:6-6.4) shall not
26 entitle any justice or judge to the return of any amount required
27 to be contributed pursuant to said section.

1 **37. Any judge of the county court, county district court, or*
2 *juvenile and domestic relations court in office on the effective date*
3 *of this act may, within 30 days thereafter, elect to be a member*
4 *of the Judicial Retirement System and any such judge hereafter*
5 *appointed may, within 30 days after such appointment, elect to be*
6 *a member of the Judicial Retirement System.**

1 **[37.]* *38. This act shall take effect immediately.*

SENATE JUDICIARY COMMITTEE

STATEMENT TO

SENATE, No. 536

With Committee Amendments

STATE OF NEW JERSEY

DATED: MAY 11, 1972

This bill would repeal the present judicial pension systems now in effect (C. 43:6-6.4 et seq. and 2A :3-21.2 et seq.) and substitutes a new Judicial Retirement System Act.

Those who had already retired or received benefits under the old plans would continue to receive the same benefits. After this bill becomes effective, a judge would have 30 days to retire and receive his benefits under the old act.

Under the bill, all judges of the supreme court and the superior court would be members of this retirement system. County court, county district court and juvenile and domestic relation court justices presently in office could elect to be members of this system within 30 days after the bill's effective date. Such judges appointed in the future would also have such an election.

This bill would eliminate any requirement of a contribution by judges to the pension system. All contributions made under the old systems would not be refunded to those judges who become members of the system.

The requirement that a widow be married to the judge for 4 years before his death in order to receive a benefit from the pension plan is eliminated. The amount of her benefit, 25% of his final salary, is not changed.

The bill would create a benefit for dependent children of a judge of 10% of his final salary for the first child and 15% for two or more children. If there is no widow, the children's benefit becomes 15% for one child, 20% for two children and 30% for three children.

The bill also provides that the beneficiary of a deceased retired judge will receive as a death benefit an amount equal to $\frac{1}{4}$ of the retiree's final salary.

Any member of the new Judicial Retirement System who fails of reappointment or resigns after 5 years as a judge, is 60 years old and

has 25 years of service as a judge or a state, county, municipal or public agency employee could receive a pension of 2% of his final salary multiplied by 25 plus 1% of his salary multiplied by his years of service over 25. If he is not 60, he can elect such a pension, deferred until he is 60, if he has 15 years of total service.

A judge of the County Court, County District Court or the Juvenile and Domestic Relations Court who has served 5 years as such a judge and has served a total of 15 years as a judge or in the employment of the state, a county, municipality, board of education or public agency and is 65 years of age may retire under this new system. If he has served in these various capacities for 20 years and was 60 years of age he could also retire. In either case he would be entitled to $\frac{1}{2}$ of his annual salary. In all other cases, a retiring judge would be entitled to $\frac{3}{4}$ of his final annual salary, as Supreme Court and Superior Court judges are now.

FISCAL NOTE TO
SENATE, No. 536

STATE OF NEW JERSEY

DATED: MARCH 27, 1972

Senate Bill No. 536 is designated the "Judicial Retirement System Act" and establishes a judicial retirement system, specifying contributions to be paid and benefit rights.

The Division of Pensions estimates that enactment of this legislation would require a State expenditure of \$1,900,000.00 in fiscal 1972-73 and \$2,000,000.00 in fiscal 1973-74 and \$3,000,000.00 in fiscal 1974-75.

These estimates assume July 1, 1972 as the effective date for funding accrued liability over a 20-year period.

The division states that costs will increase as salaries and participants increase.

In compliance with written request received, there is hereby submitted a fiscal estimate for the above bill, pursuant to P. L. 1962, c. 27.

FROM THE OFFICE OF THE GOVERNOR

MAY 22, 1973

FOR RELEASE:
IMMEDIATE

Governor William T. Cahill today signed into law a bill to provide a uniform pension system for the judiciary. The bill was sponsored by Senator Peter Thomas (R., Morris).

The new law for the first time in the history of the state of New Jersey will bring judges of several courts into the same pension system. These courts include the Supreme, Superior, County, County District and Juvenile and Domestic Relations Court.

In signing the bill, the Governor said:

"This legislation will encourage lawyers to consider a judicial career at an earlier age. Presently, in many instances, capable young lawyers are reluctant to give up a lucrative law practice and to accept a judicial appointment because of a disparity in pension benefits which exists among the various courts.

The Governor further noted:

"This uniform treatment will provide much needed flexibility in elevating judges from one court to another. Judges will no longer be faced with the prospect of losing their pension because of an opportunity to serve on a higher court.

It was further pointed out that the Internal Revenue Code requires that all members of the pension system be treated equally without any difference in benefits and without discrimination among the members in order for the system to be a qualified pension system.

A prime feature of the bill extends the non-contributory pension program presently available to the 7 justices of the Supreme Court, 120 judges of the Superior Court and 75 judges of the County Court to the remaining 25 judges of the County Court who are members of the Public Employees Retirement System and 34 judges of the County District Court and 30 judges of the Juvenile and Domestic Relations Court who are also members of P.E.R.S.

-more-

Under existing law, judges of the County Court receive a one-half salary pension while judges of the Superior Court receive a three-fourths salary pension despite the fact they both hear primarily the same type of cases. This inequity is removed in the bill.

In addition, judges will qualify for pension at age 70 after 10 years of judicial service though they may have served in different courts during this time. Presently, a judge is required to meet the service requirement in each specific court on a separate basis. Thus, a judge who has served 8 years in the County Court, for example, cannot qualify for a pension in the Superior Court under the existing system until he has served 10 years in the Superior Court.

This legislation is an outgrowth of the non-contributory pension program first established in New Jersey in 1908. The 1948 Constitution of New Jersey guaranteed that non-contributory pensions for Supreme Court justices and Superior Court judges could not be reduced during their term in office. In this manner, a strong independent judiciary can be maintained. This legislation complies with the constitutional mandate.

The bill also provides for a funded, actuarially sound pension system. Presently, judicial pensions are financed on a "pay-as-you-go basis". Each year appropriations are made to cover the cost of all judicial pension payments to be made during the year. The State's share of the cost (approximately 40%) has increased from \$1 million in fiscal 1973 to \$1.4 million in fiscal 1974. The local costs (approximately 60%) have increased accordingly. It is estimated that the State's cost would be approximately \$4 million within 15 years, increasing thereafter under the present method of payment. With the funded program provided in this new law, the State's share will be approximately \$1.6 million annually and remain constant over the next 40 years. Local costs should be approximately \$2.4 million annually during the 40-year funding period.