

43:16A-1

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(PFRS--law enforcement officers)

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SPONSOR(S) Schiaffo  
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## SENATE No. 2310

## STATE OF NEW JERSEY

INTRODUCED APRIL 26, 1973

By Senator SCHIAFFO

(Without Reference)

AN ACT concerning the Police and Firemen's Retirement System, providing for membership therein by certain law enforcement officers and revising parts of the statutory law.

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

1 1. Section 1 of P. L. 1944, c. 255 (C. 43:16A-1) is amended to  
2 read as follows:

3 1. As used in this act:

4 (1) "Retirement system" shall mean the Police and Firemen's  
5 Retirement System of New Jersey as defined in section 2 of this act.

6 (2) "Policeman or fireman" shall mean any permanent and full-  
7 time active uniformed employee, and any active permanent and  
8 full-time employee who is a detective, lineman, fire alarm operator  
9 or inspector of combustibles of any police or fire department [of  
10 a municipality or a fire department of a fire district located in a  
11 township or a county police or park police department]. It shall  
12 also mean any permanent, active, and full-time officer employee of  
13 the State of New Jersey with police powers and holding one of the  
14 following titles: motor vehicles officer, motor vehicles sergeant,  
15 motor vehicles lieutenant, motor vehicles captain, assistant chief,  
16 bureau of enforcement, and chief, bureau of enforcement in the  
17 Division of Motor Vehicles, inspectors, and investigators, in the  
18 Division of Alcoholic Beverage Control, conservation officer, assist-  
19 ant district conservation officer, district conservation officer, and  
20 chief conservation officer, in the Division of Fish, Game, and Shell  
21 Fisheries, rangers, and chief ranger in the Bureau of Parks, marine  
22 patrolman, senior marine patrolman, principal marine patrolman,  
23 and chief, bureau of marine law enforcement, correction officer,  
24 senior correction officer, correction officer sergeant, correction  
25 officer lieutenant, correction officer captain, and deputy keepers in

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

26 *the Division of Correction and Parole, medical security officer,*  
 27 *assistant supervising medical security officer, and supervising*  
 28 *medical security officer in the Department of Institutions and*  
 29 *Agencies, county detective, lieutenant of county detectives, captain*  
 30 *of county detectives, chief of county detectives, and county investi-*  
 31 *gator in the office of the county prosecutors, sheriff's officer,*  
 32 *sergeant sheriff's officer, lieutenant sheriff's officer, captain*  
 33 *sheriff's officer, chief sheriff's officer, and sheriff's investigator in*  
 34 *the office of the county sheriffs, cottage officer, head cottage officer,*  
 35 *interstate escort officer, juvenile officer, head juvenile officer, assist-*  
 36 *ant supervising juvenile officer, supervising juvenile officer, patrol-*  
 37 *man capitol police, patrolman institutions, sergeant patrolman*  
 38 *institutions, and supervising patrolman institutions, and patrolman*  
 39 *or other police officer of the Board of Commissioners of the*  
 40 *Palisades Interstate Park appointed pursuant to R. S. 32:14-21.*

41 (3) "Member" shall mean any policeman or fireman included  
 42 in the membership of the retirement system as provided in section  
 43 3 of this act.

44 (4) "Board of trustees" or "board" shall mean the board pro-  
 45 vided for in section 13 of this act.

46 (5) "Medical board" shall mean the board of physicians pro-  
 47 vided for in section 13 of this act.

48 (6) "Employer" shall mean the *State of New Jersey, the county,*  
 49 *municipality or political subdivision thereof which pays the par-*  
 50 *ticular policeman or fireman.*

51 (7) "Service" shall mean service as a policeman or fireman [or  
 52 county policeman] paid for by an employer.

53 (8) "Creditable service" shall mean service rendered for which  
 54 credit is allowed as provided under section 4 of this act.

55 (9) "Regular interest" shall mean interest as determined  
 56 annually by the State Treasurer after consultation with the  
 57 Directors of the Divisions of Investment and Pensions and the  
 58 actuary of the system. It shall bear a reasonable relationship to  
 59 the percentage rate of earnings on investments but shall not exceed  
 60 105% of such percentage rate.

61 (10) "Aggregate contributions" shall mean the sum of all the  
 62 amounts, deducted from the compensation of a member or con-  
 63 tributed by him or on his behalf, standing to the credit of his in-  
 64 dividual account in the annuity savings fund.

65 (11) "Annuity" shall mean payments for life derived from the  
 66 aggregate contributions of a member.

67 (12) "Pension" shall mean payments for life derived from  
 68 contributions by the employer.

69 (13) "Retirement allowance" shall mean the pension plus the  
70 annuity.

71 (14) "Earnable compensation" shall mean the full rate of the  
72 salary that would be payable to an employee if he worked the full  
73 normal working time for his position. In cases where salary includes  
74 maintenance, the retirement system shall fix the value of that part  
75 of the salary not paid in money which shall be considered under  
76 this act.

77 (15) "Average final compensation" shall mean the average  
78 annual salary upon which contributions are made for the 3 years  
79 of creditable service immediately preceding his retirement or death,  
80 or it shall mean the average annual salary for which contributions  
81 are made during any 3 fiscal years of his or her membership pro-  
82 viding the largest possible benefit to the member or his beneficiary.

83 (16) "Retirement" shall mean the termination of the member's  
84 active service with a retirement allowance granted and paid under  
85 the provisions of this act.

86 (17) "Annuity reserve" shall mean the present value of all pay-  
87 ments to be made on account of any annuity or benefit in lieu of  
88 any annuity computed upon the basis of such mortality tables  
89 recommended by the actuary as shall be adopted by the board of  
90 trustees, and regular interest.

91 (18) "Pension reserve" shall mean the present value of all pay-  
92 ments to be made on account of any pension or benefit in lieu of  
93 any pension computed upon the basis of such mortality tables  
94 recommended by the actuary as shall be adopted by the board of  
95 trustees, and regular interest.

96 (19) "Actuarial equivalent" shall mean a benefit of equal value  
97 when computed upon the basis of such mortality tables recom-  
98 mended by the actuary as shall be adopted by the board of trustees,  
99 and regular interest.

100 (20) "Beneficiary" shall mean any person receiving a retirement  
101 allowance or other benefit as provided by this act.

102 (21) "Child" shall mean a deceased member's or retirant's  
103 unmarried child either (a) under the age of 18 or (b) of any age  
104 who, at the time of the member's or retirant's death, is disabled  
105 because of mental retardation or physical incapacity, is unable to  
106 do any substantial, gainful work because of the impairment and his  
107 impairment has lasted or can be expected to last for a continuous  
108 period of not less than 12 months, as affirmed by the medical board.

109 (22) "Parent" shall mean the parent of a member who was  
110 receiving at least one-half of his support from the member in the  
111 12-month period immediately preceding the member's death or the

112 accident which was the direct cause of the member's death. The  
 113 dependency of such a parent will be considered terminated by  
 114 marriage of the parent subsequent to the death of the member.

115 (23) "Widower" shall mean the man to whom a member or  
 116 retirant was married at least 5 years before the date of her death  
 117 and to whom she continued to be married until the date of her  
 118 death and who was receiving at least one-half of his support from  
 119 the member or retirant in the 12-month period immediately preced-  
 120 ing the member's or retirant's death or the accident which was the  
 121 direct cause of the member's death. The dependency of such a  
 122 widower will be considered terminated by marriage of the widower  
 123 subsequent to the death of the member or retirant. In the event of  
 124 the payment of an accidental death benefit, the 5-year qualification  
 125 shall be waived.

126 (24) "Widow" shall mean the woman to whom a member or  
 127 retirant was married at least 5 years before the date of his death  
 128 and to whom he continued to be married until the date of his death  
 129 and who has not remarried. In the event of the payment of an  
 130 accidental death benefit, the 5-year qualification shall be waived.

131 (25) "Fiscal year" shall mean any year commencing with July 1,  
 132 and ending with June 30, next following.

133 (26) "Compensation" shall mean the base salary, for services  
 134 as a member as defined in this act, which is in accordance with  
 135 established salary policies of the member's employer for all em-  
 136 ployees in the same position but shall not include individual salary  
 137 adjustments which are granted primarily in anticipation of the  
 138 member's retirement or additional remuneration for performing  
 139 temporary duties beyond the regular work day.

140 (27) "*Department*" shall mean any police or fire department of  
 141 a municipality or a fire department of a fire district located in a  
 142 township or a county police or park police department or the ap-  
 143 propriate department of the State or instrumentality thereof.

1 2. Section 13 of P. L. 1944, c. 255 (C. 43:16A-13) is amended to  
 2 read as follows:

3 13. (1) Subject to the provisions of P. L. 1955, c. 70 (C. 52:18A-95  
 4 *et seq.*), the general responsibility for the proper operation of the  
 5 retirement system is hereby vested in a board of trustees.

6 (2) The board shall consist of nine trustees as follows:

7 (a) Four members to be appointed by the Governor, who shall  
 8 serve at the pleasure of the Governor and until their successors  
 9 are appointed and who shall be private citizens of the State of New  
 10 Jersey who are neither an officer thereof nor an active or retired  
 11 member of any police or fire department thereof.

12 (b) The State Treasurer or the deputy State Treasurer, when  
13 designated for that purpose by the State Treasurer.

14 (c) Two policemen and two firemen who shall be members of  
15 the system and who shall be elected by the members of the system  
16 for a term of 4 years according to such rules and regulations as  
17 the board of trustees shall adopt to govern such election.

18 (3) Each trustee shall, after his appointment or election, take  
19 an oath of office that, so far as it devolves upon him he will diligently  
20 and honestly fulfill his duties as a board member, and that he will  
21 not knowingly violate or willingly permit to be violated any of the  
22 provisions of the law applicable to the retirement system. Such  
23 oath shall be subscribed by the member making it, and certified by  
24 the officer before whom it is taken, and immediately filed in the  
25 office of the Secretary of State.

26 (4) If a vacancy occurs in the office of a trustee, the vacancy shall  
27 be filled in the same manner as the office was previously filled.

28 (5) The trustees shall serve without compensation, but they  
29 shall be reimbursed for all necessary expenses that they may incur  
30 through service on the board.

31 (6) Each trustee shall be entitled to one vote in the board. Five  
32 trustees must be present at any meeting of said board for the  
33 transaction of its business.

34 (7) Subject to the limitations of this act, the board of trustees  
35 shall annually establish rules and regulations for the administra-  
36 tion of the funds created by this act and for the transaction of its  
37 business. Such rules and regulations shall be consistent with those  
38 adopted by the other pension funds within the Division of Pensions  
39 in order to permit the most economical and uniform administration  
40 of all such retirement systems.

41 (8) The board of trustees shall elect from its membership a  
42 chairman. The Chief of the Bureau of Police and Fire Funds of  
43 the Division of Pensions of the State Department of the Treasury  
44 shall be the secretary of the board. The administration of the  
45 program shall be performed by the personnel of the Division of  
46 Pensions.

47 (9) The board of trustees shall keep a record of all of its proceed-  
48 ings which shall be open to public inspection. The retirement  
49 system shall publish annually a report showing the fiscal transac-  
50 tions of the retirement system for the preceding year, the amount  
51 of the accumulated cash and securities of the system, and the last  
52 balance sheet showing the financial condition of the system by  
53 means of an actuarial valuation of the assets and liabilities of the  
54 retirement system.

55 (10) The Attorney General of the State of New Jersey shall be  
56 the legal advisor of the board of trustees.

57 (11) The State Treasurer shall designate a medical board after  
58 consultation with the Director of the Division of Pensions, subject  
59 to veto by the board of trustees for valid reason. It shall be com-  
60 posed of three physicians who are not eligible to participate in the  
61 retirement system. The medical board shall pass upon all medical  
62 examinations required under the provisions of this act, shall  
63 investigate all essential statements and certificates by or on behalf  
64 of a member in connection with an application for disability retire-  
65 ment, and shall report in writing to the retirement system its  
66 conclusions and recommendations upon all matters referred to it.

67 (12) The actuary of the system shall be designated by the State  
68 Treasurer after consultation with the Director of the Division of  
69 Pensions, subject to veto by the board for valid reason. He shall  
70 be the technical advisor of the board of trustees on matters regard-  
71 ing the operation of the funds created by the provisions of this  
72 act, and shall perform such other duties as are required in connec-  
73 tion therewith.

74 (13) At least once in each 3-year period the actuary shall make  
75 an actuarial investigation into the mortality, service and compensa-  
76 tion experience of the members and beneficiaries of the retirement  
77 system and, with the advice of the actuary, the board of trustees  
78 shall adopt for the retirement system such mortality, service and  
79 other tables as shall be deemed necessary and shall certify the  
80 rates of contribution payable under the provisions of this act.

81 (14) (Deleted by amendment.)

82 (15) On the basis of such tables recommended by the actuary as  
83 the board of trustees shall adopt and regular interest, the actuary  
84 shall make an annual valuation of the assets and liabilities of the  
85 funds of the system created by this act.

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

89 (17) Each policeman or fireman member of the board of trustees  
90 shall be entitled to time off from his [municipal or county] duty,  
91 with pay, during the periods of his attendance upon regular or  
92 special meetings of the board of trustees, and such time off shall  
93 include reasonable travel time required in connection therewith.

1 3. Eligibility for membership in the Police and Firemen's Re-  
2 tirement System of New Jersey shall be extended to all active,  
3 permanent and full-time officer employees of the State of New

4 Jersey with police powers and holding one of the titles cited in  
5 section 1 of P. L. 1944, c. 255 (C. 43:16A-1) who are otherwise  
6 eligible in accordance with the provisions of this act.

1 4. a. An eligible officer who is a member of the Public Em-  
2 ployees' Retirement System shall be permitted to transfer his  
3 membership in said fund to the Police and Firemen's Retirement  
4 System of New Jersey by waiving all rights and benefits which  
5 would otherwise be provided by the Public Employees' Retirement  
6 System. Any such officer will likewise be permitted to continue  
7 his membership in the Public Employees' Retirement System by  
8 waiving all rights and benefits which would otherwise be provided  
9 by the Police and Firemen's Retirement System. Such waivers  
10 shall be accomplished by filing forms satisfactory to the New Jer-  
11 sey Division of Pensions, which is responsible for the administra-  
12 tion of the Police and Firemen's Retirement System, within 90  
13 days of the effective date of this act. In the absence of the filing of  
14 a timely waiver by any eligible officer his pension status shall re-  
15 main unchanged and his membership shall not be transferred to  
16 the Police and Firemen's Retirement System.

17 b. Each new officer who begins employment following the effec-  
18 tive date of this act, shall be required to enroll in the Police and  
19 Firemen's Retirement System of New Jersey as a condition of  
20 employment, provided he is otherwise eligible for membership by  
21 meeting the appointment, age, and health prescriptions required  
22 of all members. As of the effective date of this act, the eligibility  
23 of membership for such new officers in the Public Employees' Re-  
24 tirement System shall be terminated and the membership require-  
25 ments of such other fund will be deemed satisfied by the enrollment  
26 of such employees in the Police and Firemen's Retirement System.

1 5. Within 120 days following the effective date of this act the  
2 Public Employees' Retirement System shall remit to the Police  
3 and Firemen's Retirement System of New Jersey all accumulated  
4 deductions standing to the credit of each transferred employee  
5 as members of such fund, and within 180 days following the effec-  
6 tive date of this act remit the pro rata part of the reserve fund  
7 constituting the employer's obligations under the former system  
8 applicable to such employee's account, and the Police and Fire-  
9 men's Retirement System shall then enter the respective sums so  
10 remitted to it to the credit of such employee in the Annuity Savings  
11 Fund and to the credit of the employer in the Pension Accumula-  
12 tion Fund of the Police and Firemen's Retirement System of New  
13 Jersey.



1 6. The transferred employees thereby affected shall be members  
2 of the Police and Firemen's Retirement System and deductions  
3 from their salaries and contributions on their behalf shall there-  
4 after be made as required by the act creating such system for  
5 members thereof. Such transferred employees shall have the same  
6 contribution obligation and enjoy the same rights and benefits of  
7 all other members of the system except as provided by this act.  
8 Any credit for public service which had been established in the  
9 Public Employees' Retirement System by the transferred employee  
10 shall be established in the Police and Firemen's Retirement  
11 System.

12 Upon the transfer of membership to the Police and Firemen's  
13 Retirement System under the provisions of this act, the rate of  
14 contribution of such member shall be determined by the rates pay-  
15 able by other members, except that the number of years of credited  
16 service in the former pension fund shall be deducted from the  
17 member's current age in order to fix the age upon which the rate  
18 of contribution is based.

19 All outstanding obligations such as loans, purchases, and other  
20 arrearages shall be met by the transferred employees as previously  
21 scheduled for payment to the Public Employees' Retirement  
22 System.

1 7. a. Any person becoming a member of the Police and Fire-  
2 men's Retirement System pursuant to the provisions of this act  
3 shall not be allowed any of the group life insurance benefits if on  
4 the date he files an application for enrollment he is 55 or more  
5 years of age, unless he furnishes satisfactory evidence of insur-  
6 ability and on the effective date of membership is actively at work  
7 and performing all his regular duties at his customary place of  
8 employment. The effective date of coverage for such benefits shall  
9 be the first day of the month which immediately follows the date  
10 when such evidence is determined to be satisfactory.

11 b. Such evidence of insurability will not be required of any per-  
12 son becoming a member upon transfer from the Public Employees'  
13 Retirement System, if the transferring employee was covered by  
14 such benefits in the latter system at the time of the transfer. If  
15 such transferring employee was not covered by such benefits at  
16 the time of the transfer, he may be allowed the benefits under the  
17 group life insurance policy or policies subject to the provisions of  
18 subsection a. of this section; provided, however, that any such  
19 employee must furnish satisfactory evidence of insurability under  
20 the provisions of subsection a. of this section, if he had been unable

21 or failed to give such evidence as a member of the Public Em-  
22 ployees' Retirement System.

1 8. The actuary of the Police and Firemen's Retirement System  
2 shall calculate the liability of the employer of employees becoming  
3 members of the system under this act in the same manner as is  
4 specified in the case of other employers where the Police and Fire-  
5 men's Retirement System is adopted, taking into account the value  
6 of moneys remitted by the pension fund. In the event that the  
7 value of such money so remitted is less than the total which is  
8 required by the Police and Firemen's Retirement System to pro-  
9 vide the transferred member with credit for his public service, the  
10 liability of the employer shall include an amount equal to the  
11 difference between these two values. Upon certification by the  
12 actuary of the Police and Firemen's Retirement System the em-  
13 ployer shall make such contributions as are required in order to  
14 meet the financial obligations in the same manner and within the  
15 same period of time as is specified in the case of other employers  
16 where the Police and Firemen's Retirement System of New Jersey  
17 is adopted.

1 9. The chief fiscal officer of the employer shall transmit to the  
2 retirement system such information as the system shall require in  
3 order for the New Jersey Division of Pensions to comply with the  
4 provisions of this act.

1 10. This act shall take effect immediately.

FROM THE OFFICE OF THE GOVERNOR

JUNE 1, 1973

FOR RELEASE:  
IMMEDIATE

Governor William T. Cahill today signed into law three bills providing benefits for policemen, correction officers and other law enforcement officers.

In signing the measures, two of which apply to pensions, and the third to time spent on police matters in municipal courts, the Governor said:

"Policemen, correction officers and other law enforcement officers provide an invaluable service which benefits each and every citizen of our State. In the past, there has been a great disparity in the benefits to which these dedicated men and women are entitled under the law. This legislation will provide equal benefits and treatment for all members of the various law enforcement groups who serve our State."

The three bills signed by the Governor were:

Senate bill 2309, sponsored by Senator Alfred Schiaffo (R., Bergen), applying to correction officers who are members of the Prison Officer's Pension Fund. This bill provides a vested pension right for those having 15 or more years of service. It also provides survivor death benefits and other pension benefits which are presently available to other law enforcement officer groups.

✓ Senate bill 2310, sponsored by Senator Schiaffo, which transfers all the various law enforcement officers and groups presently in the Public Employees' Retirement System to the Police and Firemen's Retirement System.

Assembly bill 246, sponsored by Assemblyman James J. Florio (D., Camden), which authorizes on a permissive basis compensation or compensatory time off for municipal police, county police and county park police for time they spend appearing on matters in the municipal court. Presently these officers are credited with compensation or time off for time involved in appearances in the county, superior or supreme court or before grand juries.

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