

43:3B-8

April 10, 1970

LEGISLATIVE HISTORY OF R.S. 43:3B-8
(Pension - no income limit)

1969 - C.230 - A1108

November 17 - Introduced by Wilson and others.

Bill had statement (copy enclosed).

Not amended during passage.

COPY NO. 2

DEPOSITORY COPY
Do Not Remove From Library

RSL/EH

230 JAN 20 1970 69
12-9-69

ASSEMBLY, No. 1108

STATE OF NEW JERSEY

INTRODUCED NOVEMBER 17, 1969

By Assemblymen WILSON, DENNIS, FIORE, BROWN, HEILMANN, RINALDI, KALTENBACHER, KEAN, CAPUTO, CRANE and RUSSO

(Without Reference)

AN ACT to amend "An act to amend and supplement 'An act to provide for increases in the retirement allowances of certain retired public employees,' approved November 24, 1958 (P. L. 1958, c. 143)," approved September 19, 1969 (P. L. 1969, c. 169).

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

1 1. Section 7 of chapter 169 of the laws of 1969 (C. 43:3B-8) is
2 amended to read as follows:

3 7. If legislation is adopted providing for a blanket increase in the
4 original retirement allowances or pensions or for minimum allow-
5 ances or pensions to any group of retirants eligible for benefits
6 under the Pension Increase Act, all increases provided under this
7 act shall be terminated on the first of the month when such blanket
8 increases or minimum pensions are payable, except in those in-
9 stances where the retirant's original allowance plus the increases
10 provided under the Pension Increase Act will exceed the amounts
11 payable to such retirants as a result of such other legislation; in
12 such event the amount payable under the Pension Increase Act
13 shall be the difference between the new allowance or pension pay-
14 able by the respective retirement system and the amount which
15 would otherwise have been paid under this act. Any subsequent
16 annual review of amounts payable under the Pension Increase Act
17 for such retirants shall continue to be determined on the basis of
18 the original allowance or pension as granted by the respective re-
19 tirement system prior to any blanket increase or provision for
20 minimum pension for any group of retirants eligible for benefits
21 under the Pension Increase Act. [Retirants who have a gross in-
22 come from any and all sources in excess of \$6,000.00 per year are

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

23 ineligible for the increase in pension or retirement allowances pro-
24 vided herein, subject to the provisions of section 3 of this act.

25 Any person eligible to receive retirement allowances or pensions
26 under the provisions of this act shall execute an affidavit, as may be
27 prescribed by the Director of the Division of Pensions, attesting to
28 total income from any and all sources allowable under the pro-
29 visions of this act providing for additional pension benefits equal to
30 $\frac{1}{2}$ of the percentum of change in the Consumer Price Index as pre-
31 scribed herein.】

1 2. This act shall take effect immediately.

STATEMENT

The provision for an earnings test in the pension increase legis-
lation is contrary to the entire concept of a cost of living adjust-
ment. The presumption of a cost of living increase is that the value
of the pension dollar originally granted has been eroded as a result
of inflation and the effort is to restore that same pension dollar in
terms of its purchasing power by increasing the number of dollars
paid related to the rise in the Consumer Price Index from the time
the employee retired to the time that the increase is provided. The
establishment of an income limit destroys this concept.

Moreover, in a fiscal note concerning the cost of this legislation
the Division of Pensions indicated that the administrative cost
requiring the mailing, receipt and analysis of the prescribed
affidavits would be \$115,455.00 and that such amount likely imposes
a cost in excess of any saving which might accrue as a result of
such income limitation.