

18A: 66-167 thru 192

August 17, 1970

LEGISLATIVE HISTORY OF R.S. 18A:66-167 thru 192
(State college faculties - pension benefits)

Copy 2

Similar bills introduced:

1967-A952

Alternate program - Newark College of Engineering

1967-S469

Rutgers

1968-A797

1968-S377

1968-S379

1968-S380

1969-S460

L.1969 - Chapt. 242 - A696

Introduced March 24 by Koan

Bill had statement (copy enclosed)

May - Passed Assembly

December - Passed Senate, amended (copy enclosed)

December 1 - Senate Amendments, Passed Assembly

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ORIGINAL 242 LAWS OF N. J. 1969
APPROVED 12/22/69

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ASSEMBLY, No. 696

STATE OF NEW JERSEY

INTRODUCED MARCH 24, 1969

By Assemblyman KEAN

Referred to Committee on Education

AN ACT providing for the uniform administration of the alternate programs of benefits for certain members of the faculty and other eligible employees of the New Jersey College of Medicine and Dentistry, Rutgers, The State University of New Jersey, the Newark College of Engineering, the Department of Higher Education, and the State and county colleges, and supplementing chapter 66 of Title 18A and repealing sections 18A:64C-11.1 to 18A:64C-11.9 (inclusive) and 18A:65-74 to 18A:65-85 (inclusive) of the New Jersey Statutes, and chapters 278 and 281 of the laws of 1967 and chapter 181 of the laws of 1968.

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

ARTICLE I

1 1. The following acts or parts of acts are repealed as of July
2 1, 1969:

3 a. Sections 18A:64C-11.1 to 18A:64C-11.9, inclusive, of the New
4 Jersey Statutes.

5 b. Sections 18A:65-74 to 18A:65-85, inclusive, of the New Jer-
6-7 sey Statutes.

8 c. Public Laws 1967, c. 278 (C. 18A:66-130 to C. 18A:66-141,
9 inclusive).

10 d. Public Laws 1967, c. 281 (C. 18A:66-142 to C. 18A:66-153,
11 inclusive).

12 e. Public Laws 1968, c. 181 (C. 18A:66-154 to C. 18A:66-166,
13 inclusive).

1 2. Repeal of the act and parts of acts, and all amendments and
2 supplements thereto, pursuant to section 1 of this act, is subject
3 to the following provisos:

4 a. The alternate benefit programs established by the Board of
5 Trustees of the New Jersey College of Medicine and Dentistry,

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

6 the Board of Governors of Rutgers, The State University of
7 New Jersey, the Board of Trustees of the Newark College of
8 Engineering and the Board of Higher Education for certain em-
9 ployees of State and county colleges, are continued except as the
10 benefit and contribution schedules are revised by this act.

11 b. The timely filing of applications for transfer from the Public
12 Employees' Retirement System, the Teachers' Pension and
13 Annuity Fund and the Group Annuity Plan as specified in such
14 acts shall be deemed to have not been revised by this act.

15 c. The transfer of employee and employer contributions from the
16 Public Employees' Retirement System, the Teachers' Pension and
17 Annuity Fund and the Group Annuity Plan to the insurer or in-
18 surers of the alternate benefit programs shall be considered as
19 having met the requirements of said acts and shall be continued
20 as provided by this act.

21 d. Any contributions made by a member of the alternate benefit
22 program for any additional death benefit coverage established
23 under said acts shall not be returnable to the member or his
24 beneficiary in any manner, or for any reason whatsoever, nor shall
25 any contributions made for the additional death benefit coverage
26 be included in any annuity payable to any such member or to his
27 beneficiary.

ARTICLE II

1 3. As used in this act:

2 a. "Accumulated deductions" means those contributions as
3 defined in section 18A:66-2 of the New Jersey Statutes or in sec-
4 tion 6 of chapter 84 of the laws of 1954, as amended and supple-
5 mented (C. 43:15A-6).

6 b. "Base salary" means a participant's regular base or con-
7 tractual salary. It shall exclude bonus, overtime or other forms of
8 extra compensation such as (1) longevity lump sum payments,
9 (2) lump sum terminal sick leave or vacation pay, (3) the value
10 of maintenance, (4) individual pay adjustments made within or at
11 the conclusion of the participant's final year of service, (5) re-
12 troactive salary adjustments or other pay adjustments made in the
13 participant's final year of service unless such adjustment was made
14 as a result of a general pay adjustment for all personnel of the
15 department or institution, (6) any unscheduled individual adjust-
16 ment made in the final year to place the member at the maximum
17 salary level within his salary range and (7) any pay for services
18 rendered during the summer vacation period by a participant who
19 is required to work only 10 months of the year.

20 c. "Base annual salary" means the base salary upon which con-
21 tributions by the member and his employer to the alternate benefit
22 program were based during the last year of creditable service.

23 d. "Board of Higher Education" means the board described in
24 article 2 of chapter 3 of Title 18A of the New Jersey Statutes and
25 the agency responsible for the establishment of the alternate bene-
26 fits program of the State and County Colleges.

27 e. "College of Medicine and Dentistry" means the New Jersey
28 College of Medicine and Dentistry established pursuant to the
29 terms of section 18A:64C-2 of the New Jersey Statutes.

30 f. "County colleges" means the colleges so defined in section
31 18A:64A-1 of the New Jersey Statutes.

32 g. "Division of Pensions" means the division established in
33 the Department of the Treasury pursuant to section 1 of chapter 70
34 of the laws of 1955 (C. 52:18A-95) and is the agency responsible
35 for the administration of the alternate benefit program of the
36 Department of Higher Education, the State and county Colleges
37 and for the administration of the group life and disability insur-
38 ances of all alternate benefit programs established in the State
39 for public employees.

40 h. "Full-time officers" and "full-time members of the faculty"
41 shall include the president, vice president, secretary and treasurer
42 of the respective school. Also included are employees of the Depart-
43 ment of Higher Education whose positions are so designated by the
44 Board of Higher Education. All other employees of the Depart-
45 ment of Higher Education shall, if otherwise eligible, be enrolled
46 in the Public Employees' Retirement System or transferred from
47 the Teachers' Pension and Annuity Fund to said system. "Full-
48 time" shall also include eligible full-time officers and full-time
49 members of the faculty who are granted sabbaticals or leaves of
50 absence with pay where the compensation paid is 50% or more
51 of the base salary at the time the leave commences and the period
52 of eligibility terminates with the end of the school year following
53 the year in which the sabbatical began. "Part-time" shall be defined
54 as an appointment where the employee receives a salary or wages
55 for a period of less than 50% of the normal work week. These
56 definitions shall apply to teaching or administrative staff members
57 or to employees serving in a dual capacity where the appoint-
58 ment includes teaching as well as administrative duties.

59 i. "Group Annuity Plan" refers to the Group Annuity Contract
60 R-134 between the Board of Trustees of the Newark College of
61 Engineering and the Prudential Insurance Company of America.

61A j. "Member" or "participant" means a full-time officer or a
62 full-time member of the faculty participating in the alternate bene-
63 fit program.

64 k. "Newark College of Engineering" means the School for
65 Industrial Education of Newark, New Jersey.

66 l. "Pension reserve" means those moneys as defined in section
67 18A:66-2 of the New Jersey Statutes or in section 6 of chapter 84
68 of the laws of 1954 (C. 43:15A-6), as amended and supplemented.

69 m. "Rutgers, The State University" means the institution of
70 higher education described in chapter 65 of Title 18A of the New
71 Jersey Statutes.

72 n. "State Colleges" means the colleges so described in chapter
73 64 of Title 18A of the New Jersey Statutes.

1 4. All full-time officers and all full-time members of the faculty
2 of the New Jersey College of Medicine and Dentistry, Rutgers, The
3 State University, the Newark College of Engineering, the State and
4 county colleges and all regularly appointed teaching and adminis-
5 trative staff members in applicable academic positions as deter-
6 mined by the Board of Higher Education, shall be eligible and shall
7 participate in the alternate benefit program except those persons
8 appointed in a part-time or temporary capacity, persons compen-
9 sated on a fee basis, persons temporarily in the United States under
10 an F or J visa and members of the Teachers' Pension and Annuity
11 Fund, the Public Employees' Retirement System or the Group
12 Annuity Plan who did not elect to transfer to the alternate benefit
13 program in accordance with the provisions of chapters 64C or 65
14 of Title 18A of the New Jersey Statutes, chapters 278 or 281 of the
15 laws of 1967, or chapter 181 of the laws of 1968.

16 Any person participating in the alternate benefit program shall
17 be ineligible for membership in the Teachers' Pension and Annuity
18 Fund, the Public Employees' Retirement System or the Group
19 Annuity Plan and any person electing to participate in the alternate
20 benefit program shall thereby waive all rights and benefits provided
21 by the Teachers' Pension and Annuity Fund, the Public Employees'
22 Retirement System or the Group Annuity Plan as a member of said
23 fund, system or plan except as herein and otherwise provided by
24 law or under terms of the Group Annuity Plan.

25 Any person required to participate in the alternate benefit pro-
26 gram by reason of employment, who at the time of such employment
27 is a member of the Teachers' Pension and Annuity Fund, shall be
28 permitted to transfer his membership in said fund to the Public
29 Employees' Retirement System, by waiving all rights and benefits
30 which would otherwise be provided by the alternate benefit program.

31 Any such new employee who is a member of the Public Employees'
32 Retirement System will be permitted to continue his membership in
33 that system, by waiving all rights and benefits which would other-
34 wise be provided by the alternate benefit program. Such waivers
35 shall be accomplished by filing forms satisfactory to the Division
36 of Pensions within 30 days of the beginning date of employment.

37 Any person receiving a benefit by reason of his retirement from
38 any retirement or pension system of the State of New Jersey or any
39 political subdivision thereof shall be ineligible to participate in the
40 alternate benefit program.

41 No person eligible for participation in the alternate benefit pro-
42 gram shall be eligible for, or receive, benefits under chapters 4 and
43 8B of Title 43 of the Revised Statutes.

44 The alternate benefit programs established pursuant to this act
45 are deemed to be pension funds or retirement systems for purposes
46 of chapter 23 of the laws of 1968 (C. 43:3C-1).

1 5. Those faculty members, who are ineligible for participation
2 in the alternate benefit program, and all other employees of all of
3 the public institutions of higher education in the State, shall be
4 enrolled in the Public Employees' Retirement System if they are
5 otherwise eligible. Such eligibility shall extend to all part-time
6 faculty members whose services have been renewed for the succeed-
7 ing school year.

1 6. Since the establishment of the alternate benefit programs for
2 the several public institutions of higher education in New Jersey
3 is designed to provide mobility of pension credit from within the
4 academic community in and outside the State, and since it is im-
5 perative that eligibility for participation in this program be of
6 uniform application in the several schools, it shall be the responsi-
7 bility of the Board of Higher Education to establish regulations
8 which shall provide for such uniformity.

1 7 (a). When a member of the Teachers' Pension and Annuity
2 Fund or the Public Employees' Retirement System elects to trans-
3 fer to an alternate benefit program by filing the proper application
4 form declaring his election to participate in such alternate benefit
5 program, the respective retirement system shall transfer the
6 amount of his accumulated deductions as of the date of transfer to
7 his individual account in the program.

8 (b). There shall also be transferred from the contingent reserve
9 fund or the pension fund of the Teachers' Pension and Annuity
10 Fund or the Public Employees' Retirement System or from the
11 Group Annuity Plan to the individual's account in the alternate
12 benefit program, the pension reserve required as of the date of his

13 transfer to provide a pension for each year of service credited to
14 the account of the member as set forth in section 18A:66-36 or
15 section 18A:66-44 of the New Jersey Statutes or as set forth in
16 section 38 or section 48 of chapter 84 of the laws of 1954 as such
17 sections have been amended and supplemented as of July 1, 1969
18 (C. 43:15A-38, C. 43:15A-48) or for each year of service credited
19 under the Group Annuity Plan. Such transfer from the contingent
20 reserve fund or the pension fund of the Teachers' Pension and
21 Annuity Fund or the Public Employees' Retirement System or the
22 Group Annuity Plan shall be made at the time of the member's
23 transfer to the alternate benefit program in the case of any such
24 member who has then met the eligibility requirements for a pension
25 under the aforementioned section 18A:66-36, or section 18A:66-44
26 of the New Jersey Statutes, or section 38 or section 48 of chapter 84
27 of the laws of 1954 (C. 43:15A-38, C. 43:15A-48) or the Group
28 Annuity Plan. In the case of any member who elects to participate
29 in the alternate benefit program who has not then met the eligibility
30 requirements for a pension under section 18A:66-36 or section
31 18A:66-44 of the New Jersey Statutes, or under section 38 or sec-
32 tion 48 of chapter 84 of the laws of 1954 (C. 43:15A-38, C.
33 43:15A-48) or under the Group Annuity Plan, the transfer from the
34 contingent reserve fund or the pension fund of the Teachers' Pen-
35 sion and Annuity Fund or the Public Employees' Retirement System
36 or the Group Annuity Plan shall be effected at the time such re-
37 quirements have been met, taking into account for the purpose of
38 such eligibility requirement his years of membership service at the
39 time of his election and his subsequent years of service as a full-time
40 member of the faculty of the College of Medicine and Dentistry,
41 Rutgers, The State University, the Newark College of Engineering
42 or the State or county colleges or as an eligible employee of the
43 Department of Higher Education, or at the time he shall have 10
44 years of credit for New Jersey service and becomes physically in-
45 capacitated for the performance of duty if he had been a member
46 of the Teachers' Pension and Annuity Fund or the Public Employ-
47 ees' Retirement System as of the date of transfer.

48 The annuity to be used in determining the amount of pension
49 is the actuarial equivalent of the member's accumulated deductions
50 transferred from the Teachers' Pension and Annuity Fund or the
51 Public Employees' Retirement System to the date the member
52 attains 60 years of age, if subsequent to the date of election. The
53 amount of pension is that established by formula within section
54 18A:66-44 of the New Jersey Statutes or section 48 of chapter 84
55 of the laws of 1954 as such sections have been amended and supple-

56 mented as of July 1, 1969 (C. 43:15A-48) or under the Group An-
57 nuity Plan, and changes to section 18A:66-44 or section 48 of chap-
58 ter 84 of the laws of 1954 (C. 43:15A-48) enacted subsequent to
59 this act or the Group Annuity Plan shall have no application to the
60 provisions of this act.

61 In the event that the eligibility requirement under section
62 18A:66-36 of the New Jersey Statutes or under section 38 of chap-
63 ter 84 of the laws of 1954 (C. 43:15A-38) or under the Group An-
64 nuity Plan is changed at some future date to permit members to
65 become eligible for such benefit prior to the completion of 15 years
66 of service, the transfer of the reserve from the contingent reserve
67 fund or the pension fund of the Teachers' Pension and Annuity
68 Fund or the Public Employees' Retirement System or from the
69 Group Annuity Plan shall be effective as of the date the member
70 who had elected the alternate benefit program meets the amended
71 eligibility requirement or the effective date of the amendment,
72 whichever is later.

73 In the event an option is available with respect to the distribution
74 of employee and employer contributions between fixed and variable
75 annuities under the alternate benefit program, the employee shall
76 have the right to determine the percentage distribution of these
77 funds subject to any limitations imposed by the designated insurer
78 or insurers.

79 (c). No transfer of pension reserves shall be made pursuant to
80 this section where more than 2 consecutive years elapse in which no
81 employer contributions to an alternate benefit program are required.

1 8 (a). The College of Medicine and Dentistry, Rutgers, The
2 State University and the Newark College of Engineering shall
3 deduct from the compensation of each participant in the alternate
4 benefit program and pay over to the insurer or insurers for the
5 benefit of the participant an employee contribution for the retire-
6 ment annuity contract or contracts equal to ***[6%]*** *5%* of the
7 participant's base salary. The intervals for deductions and pay-
8 ments shall be determined by the respective school governing
8A bodies.

9 The Division of Pensions shall provide for deductions from the
10 compensation of each participant in the alternate benefit program
11 employed by the Department of Higher Education, the State and
12 county colleges of an employee contribution equal to ***[6%]*** *5%*
13 of the participant's base salary and pay this amount to the insurer
14 or insurers for the individual's retirement annuity contract or con-
15 tracts. The intervals for deductions and payments shall be
16 determined by the Division of Pensions.

17 (b). Based on a certification to the Division of Pensions by the
18 College of Medicine and Dentistry, Rutgers, The State University
19 and the Newark College of Engineering of the number and base
20 salary of participants, the division shall authorize the State to make
21 payment of the employer contributions to the alternate benefit
22 programs at a rate equal to the normal contribution made by the
23 State on behalf of non-veteran members of the Public Employees'
24 Retirement System, which moneys shall be paid to the designated
25 insurer or insurers for the benefit of each participant.

26 Based on a certification by the Division of Pensions of the number
27 and base salary of participants employed by the Department of
28 Higher Education, the State and county colleges, the State shall
29 make payment of the employer contributions to the alternate benefit
30 program at a rate equal to the normal contribution made by the
31 State on behalf of non-veteran members of the Public Employees'
32 Retirement System, which moneys shall be paid to the designated
33 insurer or insurers for the benefit of each participant.

34 (c). For the member of the Public Employees' Retirement
35 System employed by the county colleges who is defined in the
36 regulations of the Board of Higher Education as a full-time faculty
37 member and who is permitted to transfer his membership or con-
38 tinue membership in that State program, as the case may be, the
39 State shall pay the employer contribution to the retirement system
40 on his behalf and such employer contribution shall be at a rate
41 equal to the normal contribution made by the State on behalf of
42 non-veteran members of the Public Employees' Retirement System.

1 9. Membership or participation in the alternate benefit program
2 shall terminate and the individual shall be considered retired once
3 he has elected to receive an annuity from the designated insurer
4 or insurers.

1 10. As of July 1, 1969 the group contract providing life insurance
2 and disability benefits for all participants in the alternate benefit
3 program of each public institution of higher education in the State
4 shall be on a non-contributory basis and shall be in lieu of any non-
5 contributory and contributory benefits provided pursuant to sec-
6 tions 18A:64C-11.1 to 18A:64C-11.9 (inclusive) and article 16 of
7 chapter 65 of Title 18A of the New Jersey Statutes, chapters 278
8 and 281 of the laws of 1967, and chapter 181 of the laws of 1968.
9 In accordance with the provisions of this act such group contract
10 or contracts providing life insurance shall be in an amount equal
11 to $3\frac{1}{2}$ times the base annual salary of the participant in the
12 alternate benefit program; provided, however, that if death shall
13 occur after the participant shall have attained age 70 or in the

14 event of death after retirement, the amount payable shall equal $\frac{1}{2}$
15 of the participant's base annual salary.

16 For purposes of this section a participant shall be deemed to be
17 in service and covered by the group life insurance for a period
18 of no more than 93 days while on official leave of absence without
19 pay when such leave is due to any reason other than illness, **except*
20 *for a leave up to 1 year to fulfill a residency requirement for an*
21 *advanced degree,** for a period of no more than 1 year in the
22 event of an official leave due to maternity and for a period of no
23 more than 2 years if satisfactory evidence is presented to the Divi-
24 sion of Pensions that such official leave of absence without pay is
25 due to illness. A participant shall be deemed to be on an official
26 leave of absence only if the leave is formally approved by his em-
27 ployer prior to the time the leave commenced and timely notice is
28 filed by the employer with the Division of Pensions; the lack of
29 such timely notice shall place the responsibility for the payment
30 of any benefits pursuant to this section directly upon the employer
30A if the participant was otherwise eligible for such benefits.

31 In the event of the death of a participant in active service in
32 the first year of participation as a result of an accident met in the
33 actual performance of duty at some definite time and place, the
34 death benefit payable pursuant to this section shall be computed
35 at the annual rate of base salary.

36 No beneficiary of a retired member shall be entitled to receive
37 the death benefits payable in the event of death after retirement
38 pursuant to this section unless such member (a) had at least 10
39 years of credited New Jersey participation in an alternate benefit
40 program established pursuant to this act and (b) had attained 60
41 years of age and was an actively employed participant in such a
42 program in the year immediately preceding his initial receipt of a
43 retirement annuity.

1 11. As of July 1, 1969 the State Treasurer is hereby authorized
2 and permitted to purchase from one or more insurance companies,
3 as determined by him, group life insurance and disability benefit
4 coverage to provide for the death benefits and disability benefits
5 in the amounts specified in this act. Such group life insurance
6 and disability benefit coverage may be provided under one or more
7 policies issued to the State Treasurer specifically for this pur-
8 pose or, in the discretion of the State Treasurer, under one or
9 more policies issued to the State Treasurer which provide group
10 life insurance coverage for members of one or more retirement
11 systems of the State of New Jersey. Any dividend or retrospec-
12 tive rate credit allowed by an insurance company attributable to
13 the alternate benefit program shall be credited in an equitable

14 manner to the funds available to meet the employers' obligations
15 under the alternate benefit program.

16 Premiums for such group insurance coverage shall be paid from
17 a special fund, hereby created, called the "Alternate Benefit Group
18 Insurance Premium Fund." The State Treasurer shall estimate
19 annually the amount which will be required for premiums for such
20 benefits for the ensuing fiscal year and shall certify such amounts
21 which shall be applied against the total employer contributions
22 due for the participants from the several institutions where the
23 alternate benefit programs are established, depositing such amounts
24 in the Alternate Benefit Group Insurance Premium Fund.

25 During the period such group insurance policy or policies are
26 in effect with respect to participants in the alternate benefit pro-
27 grams the State Treasurer shall in no way commingle moneys in
28 this fund with any pension funds established under the alternate
29 benefit programs.

30 All reserves and moneys held by the insurance carriers under
31 the group life insurance and disability benefit policies providing
32 for employer and employee contributions pursuant to the provi-
33 sions of chapters 64C and 65 of Title 18A of the New Jersey Stat-
34 utes, chapters 278 and 281 of the laws of 1967 and chapter 181 of
35 the laws of 1968, and any amendments and supplements thereto,
36 as well as any accrued liabilities under such policies which may
37 be terminated, shall be transferred and merged with those group
38 policies purchased by the State Treasurer.

1 12. Any life insurance company must meet the following re-
2 quirements in order to qualify under section 11 of this act:

3 a. Be licensed under the laws of the State of New Jersey to
4 transact life and accidental death insurance, and the amount of
5 its group life insurance in the State of New Jersey shall at the
6 time said insurance is to be purchased equal at least 1% of the
7 total amount of such group life insurance in the State of New
8 Jersey in all life insurance companies; or

9 b. Come within the exceptions provided in chapter 234 of the
10 laws of 1968 (C. 17:32-16 et seq.).

1 13. Any such group policy or policies shall include, with respect
2 to any insurance terminating or reducing because the participant
3 has ceased to be in service or has retired, the conversion privilege
4 available upon termination of employment as prescribed by the
5 law relating to group life insurance; and shall also include, with
6 respect to life insurance terminating because of termination of the
7 group policy, the conversion privilege available upon termination

8 of the group policy as prescribed by such law. Any such group
9 policy or policies shall also provide that if the participant dies
10 within the 31-day period during which he would be entitled to
11 exercise the conversion privilege, the amount of life insurance
12 with respect to which he could have exercised the conversion priv-
13 ilege shall be paid as a claim under the group policy. When bene-
14 fits payable upon the death of a participant following retirement
15 are determined as though the participant had not retired, the death
16 benefits payable under the group policy or policies, together with
17 the amount of life insurance paid under any individual policy
18 obtained under the conversion privilege, shall in no event exceed
19 the amount of insurance for which the participant was insured
20 under the group policy or policies immediately prior to the date
21 the right of conversion arose. If any participant has exercised
22 the conversion privilege under the group policy or policies while
23 on leave of absence or upon termination of employment, when he
24 again becomes a participant of an alternate benefit program and
25 the individual policy obtained pursuant to the conversion privilege
26 is still in force, he shall not again be eligible for any of the group
27 life insurance provided under such policy or policies unless he
28 furnishes satisfactory evidence of insurability.

1 14. Death benefits under such group policy or policies shall be
2 paid by the insurance company to such person, if living, as the
3 participant shall have nominated by written designation duly
4 executed and filed with the insurance company through the policy-
5 holder, otherwise to the executors or administrators of the par-
6 ticipant's estate. A participant may file with the insurance com-
7 pany through the policyholder and alter from time to time during
8 his lifetime, as desired, a duly attested written nomination of his
9 payee for the death benefit.

1 15. 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. A participant may make such 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 a participant, a beneficiary to whom a benefit is payable in one
11 sum by the insurance company may likewise arrange for a settle-
12 ment as described above.

1 16. a. Any person entitled to become a participant in an alternate
2 benefit program shall not be allowed any of the group life and
3 disability insurance benefits if on the date he files an application
4 for participation he is 60 or more years of age or if he makes
5 application for participation in an alternate benefit program beyond
6 the year after he first became eligible for participation, regardless
7 of age, unless the participant furnishes satisfactory evidence of
8 insurability and on the effective date of his participation is actively
9 at work and performing all his regular duties at his customary
10 place of employment.

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

14 b. Such evidence of insurability will not be required of any
15 person becoming a participant of an alternate benefit program
16 upon transfer from the Teachers' Pension and Annuity Fund, the
17 Public Employees' Retirement System, other State-administered
18 retirement system or the Group Annuity Plan, if such system
19 provided benefits of a similar nature and the transferring employee
20 was covered by such benefits at the time of the transfer. If such
21 transferring employee was not covered by such benefits at the time
22 of the transfer, he may be allowed the benefits under the group
23 policy or policies subject to the provisions of subsection a. of this
24 section; provided, however, that any such participant must furnish
25 satisfactory evidence of insurability under the provisions of sub-
26 section a. of this section, if he had been unable or failed to give
27 such evidence as a member of the system from which he transferred.

28 c. Any person who must furnish satisfactory evidence of insur-
29 ability under the provisions of this section and who ceases to be
30 a participant of an alternate benefit program without such evidence
31 having been given, shall continue to be subject to the same require-
32 ment if he subsequently becomes a participant.

1 17. The designation of beneficiary by a participant or retirant
2 shall be made in writing on a form satisfactory to the Division of
3 Pensions and filed with the division. The participant or retirant
4 may, from time to time and without the consent of his designee,
5 change the beneficiary by filing a written notice of the change on
6 a satisfactory form. The new nomination will be effective on the
7 date the notice, in proper form, is received and any prior nomina-
8 tion shall thereupon become void.

9 If more than one beneficiary is nominated and in such nomination
10 the participant or retirant has failed to specify their respective
11 interests, the beneficiaries shall share equally. If any beneficiary
12 predeceases the participant or retirant, the interest of such bene-

13 ficiary shall terminate and shall be shared equally by such of the
14 beneficiaries as survive the participant or retirant, unless the par-
15 ticipant or retirant has made written request to the contrary in his
16 beneficiary nomination.

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

20 Except with regard to the payment of the group life insurance
21 death benefit upon the death of a participant age 70 or more or of
22 a retirant, a participant may elect, by making written request, that
23 the whole or any part of his group life death benefits be made
24 payable to his beneficiary either as a life annuity or in equal in-
25 stallments over a period of years specified in such election, and
26 may alter such election from time to time during his lifetime by
27 again making such written request. In the event of a change of
28 beneficiary, and previous arrangement by the participant or re-
29 tirant under this paragraph shall be void. The election set forth
30 in this paragraph shall not apply or be available when the bene-
31 ficiary is an estate, or a corporation, partnership, association, in-
32 stitution, trustee, or any fiduciary.

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

39 With respect to any death benefits payable on the basis of the
40 individual retirement annuity contract or contracts, all settlement
41 options will be made available to the participant, retirant or bene-
42 ficiary as are allowed by the insurer or insurers.

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

1 18. The disability benefits provided under such group policy or
2 policies for all eligible participants in the alternate benefit pro-
3 grams shall provide a monthly income if the participant becomes
4 totally disabled from occupational or nonoccupational causes for a
5 period of at least 6 consecutive months following the effective date
6 of the coverage. The monthly disability benefit may be paid by the
7 insurance company so long as the participant remains disabled up
8 to his seventieth birthday, provided the disability commenced prior
9 to his sixtieth birthday. The benefit will terminate when the partici-

10 pant is no longer considered totally disabled or begins to receive
11 retirement benefits.

12 The participant will be considered totally disabled if he is unable
13 to perform each duty of his occupation and is under the regular care
14 of a physician. After the 12 months following the commencement of
15 such disability benefit payments, he must be unable to engage in any
16 gainful occupation for which he is reasonably fitted by education,
17 training or experience. Total disability is not considered to exist
18 if he is gainfully employed. However, following an agreement with
19 the insurance company and the policyholder, the participant can
20 continue to receive disability benefits for a limited time while per-
21 forming some type of work. During the period of rehabilitation the
22 monthly benefit will be the regular payment less 80% of the partici-
23 pant's earnings from such rehabilitative position.

24 For purposes of this section a participant shall be deemed to be
25 in service and covered by the disability benefit insurance provisions
26 for a period of no more than 6 months while on official leave of
27 absence without pay if satisfactory evidence is presented to the
28 Division of Pensions that such leave of absence without pay is due
29 to illness and that the member was not actively engaged in any gain-
30 ful occupation during such period of leave of absence without pay.

31 Disability benefit insurance provisions of the group policy or
32 policies shall not cover disability resulting from or contributed to
33 by pregnancy, act of war, intentionally self-inflicted injury, or
34 attempted suicide whether or not sane. For purposes of such dis-
35 ability insurance the participant will not be considered to be dis-
36 abled while he is imprisoned or while outside the United States, its
37 territories or possessions, or Canada.

38 If the participant has recovered from the disability for which he
39 had received benefits and again becomes totally disabled while in-
40 sured, the later disability will be regarded as a continuation of the
41 prior one unless the participant has returned to full-time covered
42 employment for at least 6 months. However, if the later absence is
43 due to an unrelated cause and the participant had returned to full-
44 time work, it will be considered a new disability. The disability
45 benefit insurance cannot be converted to an individual policy.

46 No person shall be covered by the disability benefit provision of
47 the group policy or policies except upon the completion of one year
48 of full-time continuous employment in a position eligible for partici-
49 pation in the alternate benefit program.

1 19. The disability benefits provided under such group policy or
2 policies shall be in an amount equal to 60% of the participant's base
3 monthly salary, * [up to a maximum benefit of \$1,000.00 per

4 month,]* reduced by periodic benefits to which the participant may
5 be entitled during the period of total disability. The minimum
6 monthly disability benefit will be \$50.00.

7 The periodic benefits by which the monthly disability benefits may
8 be reduced shall include salary or wages, retirement benefits or
9 benefits from any source for which the State or other public em-
10 ployer has paid any part of the cost or made payroll deductions,
11 Social Security disability or other benefits, including dependents'
12 benefits, and benefits paid by Social Security at the option of the
13 participant before the age of 65, but not including any increase in
14 Social Security benefits enacted after the disability benefits under
15 such group policy or policies have commenced, and any other peri-
16 odic benefits provided by law except on account of military service.

17 When a participant begins to receive disability benefits under
18 such group policy or policies the insurance company will pay an
19 amount equal to the employee contribution which would have been
20 required of the participant and deducted from his base salary in
21 order to meet his obligation for the purchase of his individual re-
22 tirement annuity. Such amount shall be paid by the insurance com-
23 pany without reduction by any other periodic benefits which the
24 participant is eligible to receive. Such amount will be paid by the
25 insurance company to the insurer or insurers for the participant's
26 retirement annuity contract or contracts.

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

1 21. While any participant in the alternate benefit program may
2 make personal contributions at any time directly to the insurer or
3 insurers of the individual retirement annuities, no employer obliga-
4 tions will be paid when the participant is on a leave of absence
5 without pay or when the participant no longer meets the definition
6 of a full-time officer or full-time member of the faculty.

1 22. Since the establishment of the alternate benefit programs is
2 designed to guarantee immediate vesting for each participant of
3 his and his employer's contributions, such alternate benefit pro-
4 grams shall not provide cash surrender or loan value. In the event
5 a participant in the alternate benefit program terminates his
6 employment for reasons other than retirement or disability and
7 requests repurchase of his annuity or annuities, such repurchase
8 shall be allowed provided it meets the conditions under which the

9 insurer will repurchase annuities automatically, and provided that
10 the portion of the repurchase value attributable to employer
11 contributions made pursuant to this act shall be refunded to the
12 employer.

1 23. (a) Notwithstanding any other provisions of this act, no
2 contributions to any retirement annuity contracts shall be author-
3 ized by the Division of Pensions for payment by the State until
4 the completion of one year of employment and commencement of a
5 second consecutive year of employment. Employee contributions
6 required during this initial year of service shall be deducted and
7 held by the College of Medicine and Dentistry, Rutgers, The State
8 University and the Newark College of Engineering for their
9 employees and by the Division of Pensions for employees of the
10 Department of Higher Education, the State and county colleges.
11 Upon the commencement of such second year the amount of the
12 employee contributions, and such amount of the employer contribu-
13 tion as herein required which has not theretofore been paid for
14 said employee, together with interest on both portions at the rate
15 of 4% per annum, shall be paid by the employer to the designated
16 insurer or insurers for and on behalf of such employee; if such
17 an employee does not commence such second year, the amount of
18 employee contributions deducted from his compensation shall be
19 refunded to him.

20 (b) The provisions of subsection (a) of this section shall not
21 apply to any employee who, at the time of initial employment (1)
22 owns a retirement annuity contract or contracts determined by the
23 Division of Pensions to be substantially similar to the contracts to
24 be purchased under the alternate benefit programs and issued by
25 the designated insurer or insurers, or (2) is a member of a New
26 Jersey State-administered retirement program.

1 24. The Board of Trustees of the New Jersey College of Medicine
2 and Dentistry, the Board of Governors of Rutgers, The State
3 University, the Board of Trustees of the Newark College of Engi-
4 neering and the Board of Higher Education on behalf of the Depart-
5 ment of Higher Education, the State and county colleges, are hereby
6 authorized to enter into agreement with each employee participat-
7 ing in the alternate benefit program whereby the employee agrees
8 to take a reduction in salary with respect to amounts earned after
9 the effective date of such agreement in return for the agreement
10 of the respective institution to use a corresponding amount to
11 purchase an annuity for such employee so as to obtain the benefits
12 afforded under section 403 (b) of the Federal Internal Revenue
13 Code, as amended. Any such agreement shall specify the amount

14 of such reduction, the effective date thereof, and shall be legally
15 binding and irrevocable with respect to amounts earned while the
16 agreement is in effect; provided, however, that such agreement
17 may be terminated after it has been in effect for a period of not
18 less than one year upon notice in writing by either party, and
19 provided further that not more than one such agreement shall be
20 entered into during any taxable year of the employee. For the
21 purposes of this section, any annuity or other contract which meets
22 the requirements of section 403 (b) of the Federal Internal Revenue
23 Code, as amended, may be utilized. The amount of the reduction
24 in salary under any agreement entered into between the institutions
25 and any employee pursuant to this section shall not exceed 10%
26 of the employee's salary prior to such reduction.

1 25. No retirement, death or other benefit shall be payable by the
2 State, the College of Medicine and Dentistry, Rutgers, The State
3 University, the Newark College of Engineering, the Board or the
4 Department of Higher Education or the Division of Pensions under
5 the alternate benefit program. Benefits shall be payable to
6 participating employees and their beneficiaries only by the desig-
7 nated insurer or insurers under the terms of the contracts.

1 26. The Division of Pensions shall provide for all things neces-
2 sary to prepare and operate said alternate benefit programs. The
3 division shall adopt rules and regulations from time to time as it
4 may deem necessary for the operation of the programs.

1 27. This act shall take effect July 1, 1969.

ASSEMBLY, No. 696

STATE OF NEW JERSEY

INTRODUCED MARCH 24, 1969

By Assemblyman KEAN

Referred to Committee on Education

AN ACT providing for the uniform administration of the alternate programs of benefits for certain members of the faculty and other eligible employees of the New Jersey College of Medicine and Dentistry, Rutgers, The State University of New Jersey, the Newark College of Engineering, the Department of Higher Education, and the State and county colleges, and supplementing chapter 66 of Title 18A and repealing sections 18A:64C-11.1 to 18A:64C-11.9 (inclusive) and 18A:65-74 to 18A:65-85 (inclusive) of the New Jersey Statutes, and chapters 278 and 281 of the laws of 1967 and chapter 181 of the laws of 1968.

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

ARTICLE I

1 1. The following acts or parts of acts are repealed as of July
2 1, 1969:

3 a. Sections 18A:64C-11.1 to 18A:64C-11.9, inclusive, of the New
4 Jersey Statutes.

5 b. Sections 18A:65-74 to 18A:65-85, inclusive, of the New Jer-
6-7 sey Statutes.

8 c. Public Laws 1967, c. 278 (C. 18A:66-130 to C. 18A:66-141,
9 inclusive).

10 d. Public Laws 1967, c. 281 (C. 18A:66-142 to C. 18A:66-153,
11 inclusive).

12 e. Public Laws 1968, c. 181 (C. 18A:66-154 to C. 18A:66-166,
13 inclusive).

1 2. Repeal of the act and parts of acts, and all amendments and
2 supplements thereto, pursuant to section 1 of this act, is subject
3 to the following provisos:

4 a. The alternate benefit programs established by the Board of
5 Trustees of the New Jersey College of Medicine and Dentistry,

6 the Board of Governors of Rutgers, The State University of
 7 New Jersey, the Board of Trustees of the Newark College of
 8 Engineering and the Board of Higher Education for certain em-
 9 ployees of State and county colleges, are continued except as the
 10 benefit and contribution schedules are revised by this act.

11 b. The timely filing of applications for transfer from the Public
 12 Employees' Retirement System, the Teachers' Pension and
 13 Annuity Fund and the Group Annuity Plan as specified in such
 14 acts shall be deemed to have not been revised by this act.

15 c. The transfer of employee and employer contributions from the
 16 Public Employees' Retirement System, the Teachers' Pension and
 17 Annuity Fund and the Group Annuity Plan to the insurer or in-
 18 surers of the alternate benefit programs shall be considered as
 19 having met the requirements of said acts and shall be continued
 20 as provided by this act.

21 d. Any contributions made by a member of the alternate benefit
 22 program for any additional death benefit coverage established
 23 under said acts shall not be returnable to the member or his
 24 beneficiary in any manner, or for any reason whatsoever, nor shall
 25 any contributions made for the additional death benefit coverage
 26 be included in any annuity payable to any such member or to his
 27 beneficiary.

ARTICLE II

1 3. As used in this act:

2 a. "Accumulated deductions" means those contributions as
 3 defined in section 18A:66-2 of the New Jersey Statutes or in sec-
 4 tion 6 of chapter 84 of the laws of 1954, as amended and supple-
 5 mented (C. 43:15A-6).

6 b. "Base salary" means a participant's regular base or con-
 7 tractual salary. It shall exclude bonus, overtime or other forms of
 8 extra compensation such as (1) longevity lump sum payments,
 9 (2) lump sum terminal sick leave or vacation pay, (3) the value
 10 of maintenance, (4) individual pay adjustments made within or at
 11 the conclusion of the participant's final year of service, (5) re-
 12 troactive salary adjustments or other pay adjustments made in the
 13 participant's final year of service unless such adjustment was made
 14 as a result of a general pay adjustment for all personnel of the
 15 department or institution, (6) any unscheduled individual adjust-
 16 ment made in the final year to place the member at the maximum
 17 salary level within his salary range and (7) any pay for services
 18 rendered during the summer vacation period by a participant who
 19 is required to work only 10 months of the year.

20 c. "Base annual salary" means the base salary upon which con-
21 tributions by the member and his employer to the alternate benefit
22 program were based during the last year of creditable service.

23 d. "Board of Higher Education" means the board described in
24 article 2 of chapter 3 of Title 18A of the New Jersey Statutes and
25 the agency responsible for the establishment of the alternate bene-
26 fits program of the State and County Colleges.

27 e. "College of Medicine and Dentistry" means the New Jersey
28 College of Medicine and Dentistry established pursuant to the
29 terms of section 18A:64C-2 of the New Jersey Statutes.

30 f. "County colleges" means the colleges so defined in section
31 18A:64A-1 of the New Jersey Statutes.

32 g. "Division of Pensions" means the division established in
33 the Department of the Treasury pursuant to section 1 of chapter 70
34 of the laws of 1955 (C. 52:18A-95) and is the agency responsible
35 for the administration of the alternate benefit program of the
36 Department of Higher Education, the State and county Colleges
37 and for the administration of the group life and disability insur-
38 ances of all alternate benefit programs established in the State
39 for public employees.

40 h. "Full-time officers" and "full-time members of the faculty"
41 shall include the president, vice president, secretary and treasurer
42 of the respective school. Also included are employees of the Depart-
43 ment of Higher Education whose positions are so designated by the
44 Board of Higher Education. All other employees of the Depart-
45 ment of Higher Education shall, if otherwise eligible, be enrolled
46 in the Public Employees' Retirement System or transferred from
47 the Teachers' Pension and Annuity Fund to said system. "Full-
48 time" shall also include eligible full-time officers and full-time
49 members of the faculty who are granted sabbaticals or leaves of
50 absence with pay where the compensation paid is 50% or more
51 of the base salary at the time the leave commences and the period
52 of eligibility terminates with the end of the school year following
53 the year in which the sabbatical began. "Part-time" shall be defined
54 as an appointment where the employee receives a salary or wages
55 for a period of less than 50% of the normal work week. These
56 definitions shall apply to teaching or administrative staff members
57 or to employees serving in a dual capacity where the appoint-
58 ment includes teaching as well as administrative duties.

59 i. "Group Annuity Plan" refers to the Group Annuity Contract
60 R-134 between the Board of Trustees of the Newark College of
61 Engineering and the Prudential Insurance Company of America.

61A j. "Member" or "participant" means a full-time officer or a
 62 full-time member of the faculty participating in the alternate bene-
 63 fit program.

64 k. "Newark College of Engineering" means the School for
 65 Industrial Education of Newark, New Jersey.

66 l. "Pension reserve" means those moneys as defined in section
 67 18A:66-2 of the New Jersey Statutes or in section 6 of chapter 84
 68 of the laws of 1954 (C. 43:15A-6), as amended and supplemented.

69 m. "Rutgers, The State University" means the institution of
 70 higher education described in chapter 65 of Title 18A of the New
 71 Jersey Statutes.

72 n. "State Colleges" means the colleges so described in chapter
 73 64 of Title 18A of the New Jersey Statutes.

1 4. All full-time officers and all full-time members of the faculty
 2 of the New Jersey College of Medicine and Dentistry, Rutgers, The
 3 State University, the Newark College of Engineering, the State and
 4 county colleges and all regularly appointed teaching and adminis-
 5 trative staff members in applicable academic positions as deter-
 6 mined by the Board of Higher Education, shall be eligible and shall
 7 participate in the alternate benefit program except those persons
 8 appointed in a part-time or temporary capacity, persons compen-
 9 sated on a fee basis, persons temporarily in the United States under
 10 an F or J visa and members of the Teachers' Pension and Annuity
 11 Fund, the Public Employees' Retirement System or the Group
 12 Annuity Plan who did not elect to transfer to the alternate benefit
 13 program in accordance with the provisions of chapters 64C or 65
 14 of Title 18A of the New Jersey Statutes, chapters 278 or 281 of the
 15 laws of 1967, or chapter 181 of the laws of 1968.

16 Any person participating in the alternate benefit program shall
 17 be ineligible for membership in the Teachers' Pension and Annuity
 18 Fund, the Public Employees' Retirement System or the Group
 19 Annuity Plan and any person electing to participate in the alternate
 20 benefit program shall thereby waive all rights and benefits provided
 21 by the Teachers' Pension and Annuity Fund, the Public Employees'
 22 Retirement System or the Group Annuity Plan as a member of said
 23 fund, system or plan except as herein and otherwise provided by
 24 law or under terms of the Group Annuity Plan.

25 Any person required to participate in the alternate benefit pro-
 26 gram by reason of employment, who at the time of such employment
 27 is a member of the Teachers' Pension and Annuity Fund, shall be
 28 permitted to transfer his membership in said fund to the Public
 29 Employees' Retirement System, by waiving all rights and benefits
 30 which would otherwise be provided by the alternate benefit program.

31 Any such new employee who is a member of the Public Employees'
32 Retirement System will be permitted to continue his membership in
33 that system, by waiving all rights and benefits which would other-
34 wise be provided by the alternate benefit program. Such waivers
35 shall be accomplished by filing forms satisfactory to the Division
36 of Pensions within 30 days of the beginning date of employment.

37 Any person receiving a benefit by reason of his retirement from
38 any retirement or pension system of the State of New Jersey or any
39 political subdivision thereof shall be ineligible to participate in the
40 alternate benefit program.

41 No person eligible for participation in the alternate benefit pro-
42 gram shall be eligible for, or receive, benefits under chapters 4 and
43 8B of Title 43 of the Revised Statutes.

44 The alternate benefit programs established pursuant to this act
45 are deemed to be pension funds or retirement systems for purposes
46 of chapter 23 of the laws of 1968 (C. 43:3C-1).

1 5. Those faculty members, who are ineligible for participation
2 in the alternate benefit program, and all other employees of all of
3 the public institutions of higher education in the State, shall be
4 enrolled in the Public Employees' Retirement System if they are
5 otherwise eligible. Such eligibility shall extend to all part-time
6 faculty members whose services have been renewed for the succeed-
7 ing school year.

1 6. Since the establishment of the alternate benefit programs for
2 the several public institutions of higher education in New Jersey
3 is designed to provide mobility of pension credit from within the
4 academic community in and outside the State, and since it is im-
5 perative that eligibility for participation in this program be of
6 uniform application in the several schools, it shall be the responsi-
7 bility of the Board of Higher Education to establish regulations
8 which shall provide for such uniformity.

1 7 (a). When a member of the Teachers' Pension and Annuity
2 Fund or the Public Employees' Retirement System elects to trans-
3 fer to an alternate benefit program by filing the proper application
4 form declaring his election to participate in such alternate benefit
5 program, the respective retirement system shall transfer the
6 amount of his accumulated deductions as of the date of transfer to
7 his individual account in the program.

8 (b). There shall also be transferred from the contingent reserve
9 fund or the pension fund of the Teachers' Pension and Annuity
10 Fund or the Public Employees' Retirement System or from the
11 Group Annuity Plan to the individual's account in the alternate
12 benefit program, the pension reserve required as of the date of his

13 transfer to provide a pension for each year of service credited to
14 the account of the member as set forth in section 18A:66-36 or
15 section 18A:66-44 of the New Jersey Statutes or as set forth in
16 section 38 or section 48 of chapter 84 of the laws of 1954 as such
17 sections have been amended and supplemented as of July 1, 1969
18 (C. 43:15A-38, C. 43:15A-48) or for each year of service credited
19 under the Group Annuity Plan. Such transfer from the contingent
20 reserve fund or the pension fund of the Teachers' Pension and
21 Annuity Fund or the Public Employees' Retirement System or the
22 Group Annuity Plan shall be made at the time of the member's
23 transfer to the alternate benefit program in the case of any such
24 member who has then met the eligibility requirements for a pension
25 under the aforementioned section 18A:66-36, or section 18A:66-44
26 of the New Jersey Statutes, or section 38 or section 48 of chapter 84
27 of the laws of 1954 (C. 43:15A-38, C. 43:15A-48) or the Group
28 Annuity Plan. In the case of any member who elects to participate
29 in the alternate benefit program who has not then met the eligibility
30 requirements for a pension under section 18A:66-36 or section
31 18A:66-44 of the New Jersey Statutes, or under section 38 or sec-
32 tion 48 of chapter 84 of the laws of 1954 (C. 43:15A-38, C.
33 43:15A-48) or under the Group Annuity Plan, the transfer from the
34 contingent reserve fund or the pension fund of the Teachers' Pen-
35 sion and Annuity Fund or the Public Employees' Retirement System
36 or the Group Annuity Plan shall be effected at the time such re-
37 quirements have been met, taking into account for the purpose of
38 such eligibility requirement his years of membership service at the
39 time of his election and his subsequent years of service as a full-time
40 member of the faculty of the College of Medicine and Dentistry,
41 Rutgers, The State University, the Newark College of Engineering
42 or the State or county colleges or as an eligible employee of the
43 Department of Higher Education, or at the time he shall have 10
44 years of credit for New Jersey service and becomes physically in-
45 capacitated for the performance of duty if he had been a member
46 of the Teachers' Pension and Annuity Fund or the Public Employ-
47 ees' Retirement System as of the date of transfer.

48 The annuity to be used in determining the amount of pension
49 is the actuarial equivalent of the member's accumulated deductions
50 transferred from the Teachers' Pension and Annuity Fund or the
51 Public Employees' Retirement System to the date the member
52 attains 60 years of age, if subsequent to the date of election. The
53 amount of pension is that established by formula within section
54 18A:66-44 of the New Jersey Statutes or section 48 of chapter 84
55 of the laws of 1954 as such sections have been amended and supple-

56 mented as of July 1, 1969 (C. 43:15A-48) or under the Group An-
57 nuity Plan, and changes to section 18A:66-44 or section 48 of chap-
58 ter 84 of the laws of 1954 (C. 43:15A-48) enacted subsequent to
59 this act or the Group Annuity Plan shall have no application to the
60 provisions of this act.

61 In the event that the eligibility requirement under section
62 18A:66-36 of the New Jersey Statutes or under section 38 of chap-
63 ter 84 of the laws of 1954 (C. 43:15A-38) or under the Group An-
64 nuity Plan is changed at some future date to permit members to
65 become eligible for such benefit prior to the completion of 15 years
66 of service, the transfer of the reserve from the contingent reserve
67 fund or the pension fund of the Teachers' Pension and Annuity
68 Fund or the Public Employees' Retirement System or from the
69 Group Annuity Plan shall be effective as of the date the member
70 who had elected the alternate benefit program meets the amended
71 eligibility requirement or the effective date of the amendment,
72 whichever is later.

73 In the event an option is available with respect to the distribution
74 of employee and employer contributions between fixed and variable
75 annuities under the alternate benefit program, the employee shall
76 have the right to determine the percentage distribution of these
77 funds subject to any limitations imposed by the designated insurer
78 or insurers.

79 (c). No transfer of pension reserves shall be made pursuant to
80 this section where more than 2 consecutive years elapse in which no
81 employer contributions to an alternate benefit program are required.

1 8 (a). The College of Medicine and Dentistry, Rutgers, The
2 State University and the Newark College of Engineering shall
3 deduct from the compensation of each participant in the alternate
4 benefit program and pay over to the insurer or insurers for the
5 benefit of the participant an employee contribution for the retire-
6 ment annuity contract or contracts equal to 6% of the participant's
7 base salary. The intervals for deductions and payments shall be
8 determined by the respective school governing bodies.

9 The Division of Pensions shall provide for deductions from the
10 compensation of each participant in the alternate benefit program
11 employed by the Department of Higher Education, the State and
12 county colleges of an employee contribution equal to 6% of the
13 participant's base salary and pay this amount to the insurer or
14 insurers for the individual's retirement annuity contract or con-
15 tracts. The intervals for deductions and payments shall be
16 determined by the Division of Pensions.

17 (b). Based on a certification to the Division of Pensions by the
18 College of Medicine and Dentistry, Rutgers, The State University
19 and the Newark College of Engineering of the number and base
20 salary of participants, the division shall authorize the State to make
21 payment of the employer contributions to the alternate benefit
22 programs at a rate equal to the normal contribution made by the
23 State on behalf of non-veteran members of the Public Employees'
24 Retirement System, which moneys shall be paid to the designated
25 insurer or insurers for the benefit of each participant.

26 Based on a certification by the Division of Pensions of the number
27 and base salary of participants employed by the Department of
28 Higher Education, the State and county colleges, the State shall
29 make payment of the employer contributions to the alternate benefit
30 program at a rate equal to the normal contribution made by the
31 State on behalf of non-veteran members of the Public Employees'
32 Retirement System, which moneys shall be paid to the designated
33 insurer or insurers for the benefit of each participant.

34 (c). For the member of the Public Employees' Retirement
35 System employed by the county colleges who is defined in the
36 regulations of the Board of Higher Education as a full-time faculty
37 member and who is permitted to transfer his membership or con-
38 tinue membership in that State program, as the case may be, the
39 State shall pay the employer contribution to the retirement system
40 on his behalf and such employer contribution shall be at a rate
41 equal to the normal contribution made by the State on behalf of
42 non-veteran members of the Public Employees' Retirement System.

1 9. Membership or participation in the alternate benefit program
2 shall terminate and the individual shall be considered retired once
3 he has elected to receive an annuity from the designated insurer
4 or insurers.

1 10. As of July 1, 1969 the group contract providing life insurance
2 and disability benefits for all participants in the alternate benefit
3 program of each public institution of higher education in the State
4 shall be on a non-contributory basis and shall be in lieu of any non-
5 contributory and contributory benefits provided pursuant to sec-
6 tions 18A:64C-11.1 to 18A:64C-11.9 (inclusive) and article 16 of
7 chapter 65 of Title 18A of the New Jersey Statutes, chapters 278
8 and 281 of the laws of 1967, and chapter 181 of the laws of 1968.
9 In accordance with the provisions of this act such group contract
10 or contracts providing life insurance shall be in an amount equal
11 to 3½ times the base annual salary of the participant in the
12 alternate benefit program; provided, however, that if death shall
13 occur after the participant shall have attained age 70 or in the

14 event of death after retirement, the amount payable shall equal $\frac{1}{2}$
15 of the participant's base annual salary.

16 For purposes of this section a participant shall be deemed to be
17 in service and covered by the group life insurance for a period
18 of no more than 93 days while on official leave of absence without
19 pay when such leave is due to any reason other than illness, for a
20 period of no more than one year in the event of an official leave
21 due to maternity and for a period of no more than 2 years if satis-
22 factory evidence is presented to the Division of Pensions that such
23 official leave of absence without pay is due to illness. A participant
24 shall be deemed to be on an official leave of absence only if the
25 leave is formally approved by his employer prior to the time the
26 leave commenced and timely notice is filed by the employer with
27 the Division of Pensions; the lack of such timely notice shall place
28 the responsibility for the payment of any benefits pursuant to this
29 section directly upon the employer if the participant was otherwise
30 eligible for such benefits.

31 In the event of the death of a participant in active service in
32 the first year of participation as a result of an accident met in the
33 actual performance of duty at some definite time and place, the
34 death benefit payable pursuant to this section shall be computed
35 at the annual rate of base salary.

36 No beneficiary of a retired member shall be entitled to receive
37 the death benefits payable in the event of death after retirement
38 pursuant to this section unless such member (a) had at least 10
39 years of credited New Jersey participation in an alternate benefit
40 program established pursuant to this act and (b) had attained 60
41 years of age and was an actively employed participant in such a
42 program in the year immediately preceding his initial receipt of a
43 retirement annuity.

1 11. As of July 1, 1969 the State Treasurer is hereby authorized
2 and permitted to purchase from one or more insurance companies,
3 as determined by him, group life insurance and disability benefit
4 coverage to provide for the death benefits and disability benefits
5 in the amounts specified in this act. Such group life insurance
6 and disability benefit coverage may be provided under one or more
7 policies issued to the State Treasurer specifically for this pur-
8 pose or, in the discretion of the State Treasurer, under one or
9 more policies issued to the State Treasurer which provide group
10 life insurance coverage for members of one or more retirement
11 systems of the State of New Jersey. Any dividend or retrospec-
12 tive rate credit allowed by an insurance company attributable to
13 the alternate benefit program shall be credited in an equitable

14 manner to the funds available to meet the employers' obligations
15 under the alternate benefit program.

16 Premiums for such group insurance coverage shall be paid from
17 a special fund, hereby created, called the "Alternate Benefit Group
18 Insurance Premium Fund." The State Treasurer shall estimate
19 annually the amount which will be required for premiums for such
20 benefits for the ensuing fiscal year and shall certify such amounts
21 which shall be applied against the total employer contributions
22 due for the participants from the several institutions where the
23 alternate benefit programs are established, depositing such amounts
24 in the Alternate Benefit Group Insurance Premium Fund.

25 During the period such group insurance policy or policies are
26 in effect with respect to participants in the alternate benefit pro-
27 grams the State Treasurer shall in no way commingle moneys in
28 this fund with any pension funds established under the alternate
29 benefit programs.

30 All reserves and moneys held by the insurance carriers under
31 the group life insurance and disability benefit policies providing
32 for employer and employee contributions pursuant to the provi-
33 sions of chapters 64C and 65 of Title 18A of the New Jersey Stat-
34 utes, chapters 278 and 281 of the laws of 1967 and chapter 181 of
35 the laws of 1968, and any amendments and supplements thereto,
36 as well as any accrued liabilities under such policies which may
37 be terminated, shall be transferred and merged with those group
38 policies purchased by the State Treasurer.

1 12. Any life insurance company must meet the following re-
2 quirements in order to qualify under section 11 of this act:

3 a. Be licensed under the laws of the State of New Jersey to
4 transact life and accidental death insurance, and the amount of
5 its group life insurance in the State of New Jersey shall at the
6 time said insurance is to be purchased equal at least 1% of the
7 total amount of such group life insurance in the State of New
8 Jersey in all life insurance companies; or

9 b. Come within the exceptions provided in chapter 234 of the
10 laws of 1968 (C. 17:32-16 et seq.).

1 13. Any such group policy or policies shall include, with respect
2 to any insurance terminating or reducing because the participant
3 has ceased to be in service or has retired, the conversion privilege
4 available upon termination of employment as prescribed by the
5 law relating to group life insurance; and shall also include, with
6 respect to life insurance terminating because of termination of the
7 group policy, the conversion privilege available upon termination

8 of the group policy as prescribed by such law. Any such group
9 policy or policies shall also provide that if the participant dies
10 within the 31-day period during which he would be entitled to
11 exercise the conversion privilege, the amount of life insurance
12 with respect to which he could have exercised the conversion priv-
13 ilege shall be paid as a claim under the group policy. When bene-
14 fits payable upon the death of a participant following retirement
15 are determined as though the participant had not retired, the death
16 benefits payable under the group policy or policies, together with
17 the amount of life insurance paid under any individual policy
18 obtained under the conversion privilege, shall in no event exceed
19 the amount of insurance for which the participant was insured
20 under the group policy or policies immediately prior to the date
21 the right of conversion arose. If any participant has exercised
22 the conversion privilege under the group policy or policies while
23 on leave of absence or upon termination of employment, when he
24 again becomes a participant of an alternate benefit program and
25 the individual policy obtained pursuant to the conversion privilege
26 is still in force, he shall not again be eligible for any of the group
27 life insurance provided under such policy or policies unless he
28 furnishes satisfactory evidence of insurability.

1 14. Death benefits under such group policy or policies shall be
2 paid by the insurance company to such person, if living, as the
3 participant shall have nominated by written designation duly
4 executed and filed with the insurance company through the policy-
5 holder, otherwise to the executors or administrators of the par-
6 ticipant's estate. A participant may file with the insurance com-
7 pany through the policyholder and alter from time to time during
8 his lifetime, as desired, a duly attested written nomination of his
9 payee for the death benefit.

1 15. 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. A participant may make such 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 a participant, a beneficiary to whom a benefit is payable in one
11 sum by the insurance company may likewise arrange for a settle-
12 ment as described above.

1 16. a. Any person entitled to become a participant in an alternate
2 benefit program shall not be allowed any of the group life and
3 disability insurance benefits if on the date he files an application
4 for participation he is 60 or more years of age or if he makes
5 application for participation in an alternate benefit program beyond
6 the year after he first became eligible for participation, regardless
7 of age, unless the participant furnishes satisfactory evidence of
8 insurability and on the effective date of his participation is actively
9 at work and performing all his regular duties at his customary
10 place of employment.

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

14 b. Such evidence of insurability will not be required of any
15 person becoming a participant of an alternate benefit program
16 upon transfer from the Teachers' Pension and Annuity Fund, the
17 Public Employees' Retirement System, other State-administered
18 retirement system or the Group Annuity Plan, if such system
19 provided benefits of a similar nature and the transferring employee
20 was covered by such benefits at the time of the transfer. If such
21 transferring employee was not covered by such benefits at the time
22 of the transfer, he may be allowed the benefits under the group
23 policy or policies subject to the provisions of subsection a. of this
24 section; provided, however, that any such participant must furnish
25 satisfactory evidence of insurability under the provisions of sub-
26 section a. of this section, if he had been unable or failed to give
27 such evidence as a member of the system from which he transferred.

28 c. Any person who must furnish satisfactory evidence of insur-
29 ability under the provisions of this section and who ceases to be
30 a participant of an alternate benefit program without such evidence
31 having been given, shall continue to be subject to the same require-
32 ment if he subsequently becomes a participant.

1 17. The designation of beneficiary by a participant or retirant
2 shall be made in writing on a form satisfactory to the Division of
3 Pensions and filed with the division. The participant or retirant
4 may, from time to time and without the consent of his designee,
5 change the beneficiary by filing a written notice of the change on
6 a satisfactory form. The new nomination will be effective on the
7 date the notice, in proper form, is received and any prior nomina-
8 tion shall thereupon become void.

9 If more than one beneficiary is nominated and in such nomination
10 the participant or retirant has failed to specify their respective
11 interests, the beneficiaries shall share equally. If any beneficiary
12 predeceases the participant or retirant, the interest of such bene-

13 ficiary shall terminate and shall be shared equally by such of the
14 beneficiaries as survive the participant or retirant, unless the par-
15 ticipant or retirant has made written request to the contrary in his
16 beneficiary nomination.

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

20 Except with regard to the payment of the group life insurance
21 death benefit upon the death of a participant age 70 or more or of
22 a retirant, a participant may elect, by making written request, that
23 the whole or any part of his group life death benefits be made
24 payable to his beneficiary either as a life annuity or in equal in-
25 stallments over a period of years specified in such election, and
26 may alter such election from time to time during his lifetime by
27 again making such written request. In the event of a change of
28 beneficiary, and previous arrangement by the participant or re-
29 tirant under this paragraph shall be void. The election set forth
30 in this paragraph shall not apply or be available when the bene-
31 ficiary is an estate, or a corporation, partnership, association, in-
32 stitution, trustee, or any fiduciary.

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

39 With respect to any death benefits payable on the basis of the
40 individual retirement annuity contract or contracts, all settlement
41 options will be made available to the participant, retirant or bene-
42 ficiary as are allowed by the insurer or insurers.

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

1 18. The disability benefits provided under such group policy or
2 policies for all eligible participants in the alternate benefit pro-
3 grams shall provide a monthly income if the participant becomes
4 totally disabled from occupational or nonoccupational causes for a
5 period of at least 6 consecutive months following the effective date
6 of the coverage. The monthly disability benefit may be paid by the
7 insurance company so long as the participant remains disabled up
8 to his seventieth birthday, provided the disability commenced prior
9 to his sixtieth birthday. The benefit will terminate when the partici-

10 pant is no longer considered totally disabled or begins to receive
11 retirement benefits.

12 The participant will be considered totally disabled if he is unable
13 to perform each duty of his occupation and is under the regular care
14 of a physician. After the 12 months following the commencement of
15 such disability benefit payments, he must be unable to engage in any
16 gainful occupation for which he is reasonably fitted by education,
17 training or experience. Total disability is not considered to exist
18 if he is gainfully employed. However, following an agreement with
19 the insurance company and the policyholder, the participant can
20 continue to receive disability benefits for a limited time while per-
21 forming some type of work. During the period of rehabilitation the
22 monthly benefit will be the regular payment less 80% of the partici-
23 pant's earnings from such rehabilitative position.

24 For purposes of this section a participant shall be deemed to be
25 in service and covered by the disability benefit insurance provisions
26 for a period of no more than 6 months while on official leave of
27 absence without pay if satisfactory evidence is presented to the
28 Division of Pensions that such leave of absence without pay is due
29 to illness and that the member was not actively engaged in any gain-
30 ful occupation during such period of leave of absence without pay.

31 Disability benefit insurance provisions of the group policy or
32 policies shall not cover disability resulting from or contributed to
33 by pregnancy, act of war, intentionally self-inflicted injury, or
34 attempted suicide whether or not sane. For purposes of such dis-
35 ability insurance the participant will not be considered to be dis-
36 abled while he is imprisoned or while outside the United States, its
37 territories or possessions, or Canada.

38 If the participant has recovered from the disability for which he
39 had received benefits and again becomes totally disabled while in-
40 sured, the later disability will be regarded as a continuation of the
41 prior one unless the participant has returned to full-time covered
42 employment for at least 6 months. However, if the later absence is
43 due to an unrelated cause and the participant had returned to full-
44 time work, it will be considered a new disability. The disability
45 benefit insurance cannot be converted to an individual policy.

46 No person shall be covered by the disability benefit provision of
47 the group policy or policies except upon the completion of one year
48 of full-time continuous employment in a position eligible for partici-
49 pation in the alternate benefit program.

1 19. The disability benefits provided under such group policy or
2 policies shall be in an amount equal to 60% of the participant's base
3 monthly salary, up to a maximum benefit of \$1,000.00 per month,

4 reduced by periodic benefits to which the participant may be entitled
5 during the period of total disability. The minimum monthly dis-
6 ability benefit will be \$50.00.

7 The periodic benefits by which the monthly disability benefits may
8 be reduced shall include salary or wages, retirement benefits or
9 benefits from any source for which the State or other public em-
10 ployer has paid any part of the cost or made payroll deductions,
11 Social Security disability or other benefits, including dependents'
12 benefits, and benefits paid by Social Security at the option of the
13 participant before the age of 65, but not including any increase in
14 Social Security benefits enacted after the disability benefits under
15 such group policy or policies have commenced, and any other peri-
16 odic benefits provided by law except on account of military service.

17 When a participant begins to receive disability benefits under
18 such group policy or policies the insurance company will pay an
19 amount equal to the employee contribution which would have been
20 required of the participant and deducted from his base salary in
21 order to meet his obligation for the purchase of his individual re-
22 tirement annuity. Such amount shall be paid by the insurance com-
23 pany without reduction by any other periodic benefits which the
24 participant is eligible to receive. Such amount will be paid by the
25 insurance company to the insurer or insurers for the participant's
26 retirement annuity contract or contracts.

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

1 21. While any participant in the alternate benefit program may
2 make personal contributions at any time directly to the insurer or
3 insurers of the individual retirement annuities, no employer obliga-
4 tions will be paid when the participant is on a leave of absence
5 without pay or when the participant no longer meets the definition
6 of a full-time officer or full-time member of the faculty.

1 22. Since the establishment of the alternate benefit programs is
2 designed to guarantee immediate vesting for each participant of
3 his and his employer's contributions, such alternate benefit pro-
4 grams shall not provide cash surrender or loan value. In the event
5 a participant in the alternate benefit program terminates his
6 employment for reasons other than retirement or disability and
7 requests repurchase of his annuity or annuities, such repurchase
8 shall be allowed provided it meets the conditions under which the

9 insurer will repurchase annuities automatically, and provided that
10 the portion of the repurchase value attributable to employer
11 contributions made pursuant to this act shall be refunded to the
12 employer.

1 23. (a) Notwithstanding any other provisions of this act, no
2 contributions to any retirement annuity contracts shall be author-
3 ized by the Division of Pensions for payment by the State until
4 the completion of one year of employment and commencement of a
5 second consecutive year of employment. Employee contributions
6 required during this initial year of service shall be deducted and
7 held by the College of Medicine and Dentistry, Rutgers, The State
8 University and the Newark College of Engineering for their
9 employees and by the Division of Pensions for employees of the
10 Department of Higher Education, the State and county colleges.
11 Upon the commencement of such second year the amount of the
12 employee contributions, and such amount of the employer contribu-
13 tion as herein required which has not theretofore been paid for
14 said employee, together with interest on both portions at the rate
15 of 4% per annum, shall be paid by the employer to the designated
16 insurer or insurers for and on behalf of such employee; if such
17 an employee does not commence such second year, the amount of
18 employee contributions deducted from his compensation shall be
19 refunded to him.

20 (b) The provisions of subsection (a) of this section shall not
21 apply to any employee who, at the time of initial employment (1)
22 owns a retirement annuity contract or contracts determined by the
23 Division of Pensions to be substantially similar to the contracts to
24 be purchased under the alternate benefit programs and issued by
25 the designated insurer or insurers, or (2) is a member of a New
26 Jersey State-administered retirement program.

1 24. The Board of Trustees of the New Jersey College of Medicine
2 and Dentistry, the Board of Governors of Rutgers, The State
3 University, the Board of Trustees of the Newark College of Engi-
4 neering and the Board of Higher Education on behalf of the Depart-
5 ment of Higher Education, the State and county colleges, are hereby
6 authorized to enter into agreement with each employee participat-
7 ing in the alternate benefit program whereby the employee agrees
8 to take a reduction in salary with respect to amounts earned after
9 the effective date of such agreement in return for the agreement
10 of the respective institution to use a corresponding amount to
11 purchase an annuity for such employee so as to obtain the benefits
12 afforded under section 403 (b) of the Federal Internal Revenue
13 Code, as amended. Any such agreement shall specify the amount

14 of such reduction, the effective date thereof, and shall be legally
 15 binding and irrevocable with respect to amounts earned while the
 16 agreement is in effect; provided, however, that such agreement
 17 may be terminated after it has been in effect for a period of not
 18 less than one year upon notice in writing by either party, and
 19 provided further that not more than one such agreement shall be
 20 entered into during any taxable year of the employee. For the
 21 purposes of this section, any annuity or other contract which meets
 22 the requirements of section 403 (b) of the Federal Internal Revenue
 23 Code, as amended, may be utilized. The amount of the reduction
 24 in salary under any agreement entered into between the institutions
 25 and any employee pursuant to this section shall not exceed 10%
 26 of the employee's salary prior to such reduction.

1 25. No retirement, death or other benefit shall be payable by the
 2 State, the College of Medicine and Dentistry, Rutgers, The State
 3 University, the Newark College of Engineering, the Board or the
 4 Department of Higher Education or the Division of Pensions under
 5 the alternate benefit program. Benefits shall be payable to
 6 participating employees and their beneficiaries only by the desig-
 7 nated insurer or insurers under the terms of the contracts.

1 26. The Division of Pensions shall provide for all things neces-
 2 sary to prepare and operate said alternate benefit programs. The
 3 division shall adopt rules and regulations from time to time as it
 4 may deem necessary for the operation of the programs.

1 27. This act shall take effect July 1, 1969.

STATEMENT

Over the period of the last 3 years legislation has been succes-
 sively enacted providing for the establishment of alternate benefit
 programs at the several public institutions of higher education in
 New Jersey. The language of each of these acts was general and
 the lack of specificity has resulted in the adoption of slightly
 different programs and is likely to lead to additional differences
 in the future. Yet the intention of all of the legislation was to treat
 all eligible faculty members at the several schools in an identical
 and equitable manner and this bill is intended to provide the
 specifics and authorizes the uniformity which is currently lacking.

Moreover, since each institution was permitted to establish its
 own program of group life and disability insurance the reserves
 required under each separate policy, related to the enrolled
 population at each institution, were substantially higher than they
 would otherwise have been under a single program of insurance
 coverage. This bill is designed to provide that uniform program

of coverage, thereby reducing the cost to the public and to the participants.

Finally, the bill by its universality among all the public institutions of higher education in the State permits the mobility of coverage for group life and disability insurance within the State, comparable to the need for the mobility of pension credit for eligible members of the faculty of the various schools from within and outside of the State.

SENATE AMENDMENTS TO
ASSEMBLY, No. 696

STATE OF NEW JERSEY

ADOPTED NOVEMBER 17, 1969

Amend page 7, section 8, line 6, after "to", omit "6%", insert "5%".

Amend page 7, section 8, line 12, after "to", omit "6%", insert "5%".

Amend page 9, section 10, line 19, after "illness," insert "except for a leave up to 1 year to fulfill a residency requirement for an advanced degree,".

Amend page 14, section 19, line 3, after "salary," omit "up to a maximum benefit of \$1,000.00 per month,".