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"Survivors of slain lawmen assured pension, benefits," 9-13-2003 Home News Tribune pA3
"Bill helps widows of officers killed on duty," 9-13-2003 The Times, p.A5

P.L. 2003, CHAPTER 181, *approved September 12, 2003*
Senate, No. 1434 (*Second Reprint*)

1 **AN ACT** concerning death benefits in the Police and Firemen's
2 Retirement System and the State Police Retirement System and
3 amending P.L.1944, c.255 and P.L.1965, c.89.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. Section 1 of P.L.1944, c.255 (C.43:16A-1) is amended to read
9 as follows:

10 1. As used in this act:

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

14 (2) (a) "Policeman" shall mean a permanent, full-time employee of
15 a law enforcement unit as defined in section 2 of P.L.1961, c.56
16 (C.52:17B-67) or the State, other than an officer or trooper of the
17 Division of State Police whose position is covered by the State Police
18 Retirement System, whose primary duties include the investigation,
19 apprehension or detention of persons suspected or convicted of
20 violating the criminal laws of the State and who:

21 (i) is authorized to carry a firearm while engaged in the actual
22 performance of his official duties;

23 (ii) has police powers;

24 (iii) is required to complete successfully the training requirements
25 prescribed by P.L.1961, c.56 (C.52:17B-66 et seq.) or comparable
26 training requirements as determined by the board of trustees; and

27 (iv) is subject to the physical and mental fitness requirements
28 applicable to the position of municipal police officer established by an
29 agency authorized to establish these requirements on a Statewide
30 basis, or comparable physical and mental fitness requirements as
31 determined by the board of trustees.

32 The term shall also include an administrative or supervisory
33 employee of a law enforcement unit or the State whose duties include
34 general or direct supervision of employees engaged in investigation,
35 apprehension or detention activities or training responsibility for these
36 employees and a requirement for engagement in investigation,
37 apprehension or detention activities if necessary, and who is
38 authorized to carry a firearm while in the actual performance of his
39 official duties and has police powers.

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SSG committee amendments adopted June 6, 2002.

² Senate SBA committee amendments adopted May 15, 2003.

1 (b) "Fireman" shall mean a permanent, full-time employee of a
2 firefighting unit whose primary duties include the control and
3 extinguishment of fires and who is subject to the training and physical
4 and mental fitness requirements applicable to the position of municipal
5 firefighter established by an agency authorized to establish these
6 requirements on a Statewide basis, or comparable training and physical
7 and mental fitness requirements as determined by the board of trustees.
8 The term shall also include an administrative or supervisory employee
9 of a firefighting unit whose duties include general or direct supervision
10 of employees engaged in fire control and extinguishment activities or
11 training responsibility for these employees and a requirement for
12 engagement in fire control and extinguishment activities if necessary.
13 As used in this paragraph, "firefighting unit" shall mean a municipal
14 fire department, a fire district, or an agency of a county or the State
15 which is responsible for control and extinguishment of fires.

16 (3) "Member" shall mean any policeman or fireman included in the
17 membership of the retirement system pursuant to this amendatory and
18 supplementary act, P.L.1989, c.204 (C.43:16A-15.6 et al.).

19 (4) "Board of trustees" or "board" shall mean the board provided
20 for in section 13 of this act.

21 (5) "Medical board" shall mean the board of physicians provided
22 for in section 13 of this act.

23 (6) "Employer" shall mean the State of New Jersey, the county,
24 municipality or political subdivision thereof which pays the particular
25 policeman or fireman.

26 (7) "Service" shall mean service as a policeman or fireman paid for
27 by an employer.

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

30 (9) "Regular interest" shall mean interest as determined by the
31 State Treasurer, after consultation with the Directors of the Divisions
32 of Investment and Pensions, the board of trustees and the actuary. It
33 shall bear a reasonable relationship to the percentage rate of earnings
34 on investments based on the market value of assets but shall not
35 exceed the assumed percentage rate of increase applied to salaries plus
36 3%, provided however that the board of trustees shall not set the
37 average percentage rate of increase applied to salaries below 6%.

38 (10) "Aggregate contributions" shall mean the sum of all the
39 amounts, deducted from the compensation of a member or contributed
40 by him or on his behalf, standing to the credit of his individual account
41 in the annuity savings fund.

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

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

46 (13) "Retirement allowance" shall mean the pension plus the

1 annuity.

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

7 (15) "Average final compensation" shall mean the average annual
8 salary upon which contributions are made for the three years of
9 creditable service immediately preceding his retirement or death, or it
10 shall mean the average annual salary for which contributions are made
11 during any three fiscal years of his or her membership providing the
12 largest possible benefit to the member or his beneficiary.

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

16 (17) "Annuity reserve" shall mean the present value of all payments
17 to be made on account of any annuity or benefit in lieu of any annuity
18 computed upon the basis of such mortality tables recommended by the
19 actuary as shall be adopted by the board of trustees, and regular
20 interest.

21 (18) "Pension reserve" shall mean the present value of all payments
22 to be made on account of any pension or benefit in lieu of any pension
23 computed upon the basis of such mortality tables recommended by the
24 actuary as shall be adopted by the board of trustees, and regular
25 interest.

26 (19) "Actuarial equivalent" shall mean a benefit of equal value
27 when computed upon the basis of such mortality tables recommended
28 by the actuary as shall be adopted by the board of trustees, and regular
29 interest.

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

32 (21) "Child" shall mean a deceased member's or retirant's
33 unmarried child (a) under the age of 18, or (b) 18 years of age or older
34 and enrolled in a secondary school, or (c) under the age of 24 and
35 enrolled in a degree program in an institution of higher education for
36 at least 12 credit hours in each semester, provided that the member
37 died in active service as a result of an accident met in the actual
38 performance of duty at some definite time and place, and the death
39 was not the result of the member's willful misconduct, or (d) of any
40 age who, at the time of the member's or retirant's death, is disabled
41 because of mental retardation or physical incapacity, is unable to do
42 any substantial, gainful work because of the impairment and his
43 impairment has lasted or can be expected to last for a continuous
44 period of not less than 12 months, as affirmed by the medical board.

45 (22) "Parent" shall mean the parent of a member who was receiving
46 at least one-half of his support from the member in the 12-month

1 period immediately preceding the member's death or the accident
2 which was the direct cause of the member's death. The dependency of
3 such a parent will be considered terminated by marriage of the parent
4 subsequent to the death of the member.

5 (23) "Widower" shall mean the man to whom a member or retirant
6 was married on the date of her death and who has not remarried. In
7 the event of the payment of ²[an] ²accidental death [benefit]
8 benefits, pursuant to section 10 of P.L.1944, c.255 (C.43:16A-10)² ,
9 the restriction concerning remarriage shall be waived.

10 (24) "Widow" shall mean the woman to whom a member or retirant
11 was married on the date of his death and who has not remarried. In
12 the event of the payment of ²[an]² accidental death [benefit]
13 benefits, pursuant to section 10 of P.L.1944, c.255 (C.43:16A-10)² ,
14 the restriction concerning remarriage shall be waived.

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

17 (26) "Compensation" shall mean the base salary, for services as a
18 member as defined in this act, which is in accordance with established
19 salary policies of the member's employer for all employees in the same
20 position but shall not include individual salary adjustments which are
21 granted primarily in anticipation of the member's retirement or
22 additional remuneration for performing temporary duties beyond the
23 regular workday.

24 (27) "Department" shall mean any police or fire department of a
25 municipality or a fire department of a fire district located in a township
26 or a county police or park police department or the appropriate
27 department of the State or instrumentality thereof.

28 (28) "Final compensation" means the compensation received by the
29 member in the last 12 months of creditable service preceding his
30 retirement or death.

31 (29) (Deleted by amendment, P.L.1992, c.78).

32 (30) (Deleted by amendment, P.L.1992, c.78).

33 (cf: P.L.1999, c.428, s.1)

34
35 2. Section 10 of P.L.1944, c.255 (C.43:16A-10) is amended to
36 read as follows:

37 10. (1) Upon the death of a member in active service as a result of
38 an accident met in the actual performance of duty at some definite time
39 and place, and such death was not the result of the member's willful
40 negligence, an accidental death benefit shall be payable if a report of
41 the accident is filed in the office of the retirement system within 60
42 days next following the accident, but the board of trustees may waive
43 such time limit, for a reasonable period, if in the judgment of the board
44 the circumstances warrant such action. No such application shall be
45 valid or acted upon unless it is filed in the office of the retirement
46 system within five years of the date of such death.

1 The provisions of this subsection shall also apply to a member who
2 is a fireman and who dies as a result of an accident met in the actual
3 performance of duty as a volunteer fireman in any municipality in the
4 State, provided the member's death was not the result of the member's
5 willful negligence.

6 (2) Upon the receipt of proper proofs of the death of a member on
7 account of which an accidental death benefit is payable, there shall be
8 paid to his widow or widower a pension of 70% of the compensation,
9 upon which contributions by the member to the annuity savings fund
10 were based in the last year of creditable service, for the use of herself
11 or himself and the children of the deceased member[, to continue
12 during her or his widowhood]; if there is no surviving widow or
13 widower or in case the widow or widower dies [or remarries], 20%
14 of such compensation will be payable to one surviving child, 35% of
15 such compensation to two surviving children in equal shares and if
16 there be three or more children, 50% of such compensation will be
17 payable to such children in equal shares.

18 If there is no surviving widow, widower or child, 25% of the
19 compensation upon which contributions by the member to the annuity
20 savings fund were based in the last year of creditable service, will be
21 payable to one surviving dependent parent or 40% of such
22 compensation will be payable to two surviving parents in equal shares.

23 In the event of accidental death occurring in the first year of
24 creditable service, the benefits, payable pursuant to this subsection,
25 shall be computed at the annual rate of compensation.

26 (3) If there is no surviving widow, widower, child or dependent
27 parent, there shall be paid to any other beneficiary of the deceased
28 member, his aggregate contributions at the time of death.

29 (4) In no case shall the death benefit provided in subsection (2) be
30 less than that provided under subsection (3).

31 (5) In addition to the foregoing benefits payable under subsection
32 (2) or (3), there shall also be paid in one sum to such beneficiary, if
33 living, as the member shall have nominated by written designation duly
34 executed and filed with the retirement system, otherwise to the
35 executor or administrator of the member's estate, an amount equal to
36 3 1/2 times the compensation upon which contributions by the
37 member to the annuity savings fund were based in the last year of
38 creditable service.

39 (6) In addition to the foregoing benefits, the State shall pay to the
40 member's employer-sponsored health insurance program all health
41 insurance premiums for the coverage of the member's surviving widow
42 or widower and dependent children.

43 (cf: P.L.1996, c.89, s.2)

44

45 ²[3. (New section) Any person who was married to a member
46 who died in active service as a result of an accident met in the actual

1 performance of duty and who became ineligible to receive the
2 accidental death benefit payable pursuant to section 10 of
3 P.L.1944, c.255 (C.43:16A-10) because of remarriage prior to the
4 effective date of this act, P.L. , c. (C.) (now pending before
5 the Legislature as this bill), shall be reclassified as a surviving widow
6 or widower as of the effective date of this act.]²

7
8 ¹[4. (New section) The benefits payable upon receipt of proper
9 proof of death of a member of the Police and Firemen's Retirement
10 System in active service under section 9 of P.L.1944, c.255
11 (C.43:16A-9) shall be paid to a widow or widower or child or parent,
12 as appropriate, of a member who had 10 or more years of creditable
13 service in the retirement system, who died in active service on or after
14 June 1, 1995 and before January 1, 1998, and whose widow or
15 widower had, on May 1, 2001, an appeal of a denial of an accidental
16 death benefit pursuant to section 10 of P.L.1944, c.255 (C.43:16A-10)
17 pending before the board of trustees of the retirement system, if the
18 appeal before the board has been withdrawn or denied and an eligible
19 beneficiary applies to the Division of Pensions and Benefits within 90
20 days following the effective date of P.L. , c. (now pending before
21 the Legislature as this bill) and subject to the return to the system of
22 the member's aggregate contributions received by the beneficiary. The
23 State shall be liable for all costs to the retirement system attributable
24 to this section. The benefits provided in this section shall be paid
25 prospectively only, in the manner provided by the division for the
26 payment of such benefits generally.]¹

27
28 ¹[5.] ²[4.1] 3.² Section 3 of P.L.1965, c.89 (C.53:5A-3) is
29 amended to read as follows:

30 3. As used in this act:

31 a. "Aggregate contributions" means the sum of all the amounts,
32 deducted from the salary of a member or contributed by him or on his
33 behalf, standing to the credit of his individual account in the Annuity
34 Savings Fund. Interest credited on contributions to the former "State
35 Police Retirement and Benevolent Fund" shall be included in a
36 member's aggregate contributions.

37 b. "Annuity" means payments for life derived from the aggregate
38 contributions of a member.

39 c. "Annuity reserve" means the present value of all payments to be
40 made on account of any annuity or benefit in lieu of an annuity,
41 computed upon the basis of such mortality tables recommended by the
42 actuary as the board of trustees adopts and regular interest.

43 d. "Beneficiary" means any person entitled to receive any benefit
44 pursuant to the provisions of this act by reason of the death of a
45 member or retirant.

46 e. "Board of trustees" or "board" means the board provided for in

1 section 30 of this act.

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

9 g. "Creditable service" means service rendered for which credit is
10 allowed on the basis of contributions made by the member or the
11 State.

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

18 i. "Final compensation" means the average compensation received
19 by the member in the last 12 months of creditable service preceding his
20 retirement or death. Such term includes the value of the member's
21 maintenance allowance for this same period.

22 j. "Final salary" means the average salary received by the member
23 in the last 12 months of creditable service preceding his retirement or
24 death. Such term shall not include the value of the member's
25 maintenance allowance.

26 k. "Fiscal year" means any year commencing with July 1 and ending
27 with June 30 next following.

28 l. "Medical board" means the board of physicians provided for in
29 section 30 of this act.

30 m. "Member" means any full-time, commissioned officer,
31 non-commissioned officer or trooper of the Division of State Police of
32 the Department of Law and Public Safety of the State of New Jersey
33 enrolled in the retirement system established by this act.

34 n. "Pension" means payment for life derived from contributions by
35 the State.

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

41 p. "Regular interest" means interest as determined by the State
42 Treasurer, after consultation with the Directors of the Divisions of
43 Investment and Pensions, the board of trustees and the actuary. It
44 shall bear a reasonable relationship to the percentage rate of earnings
45 on investments based on the market value of the assets but shall not
46 exceed the assumed percentage rate of increase applied to salaries plus

1 3%, provided however that the board of trustees shall not set the
2 average percentage rate of increase applied to salaries below 6%.

3 q. "Retirant" means any former member receiving a retirement
4 allowance as provided by this act.

5 r. "Retirement allowance" means the pension plus the annuity.

6 s. "State Police Retirement System of New Jersey," herein also
7 referred to as the "retirement system" or "system," is the corporate
8 name of the arrangement for the payment of retirement allowances and
9 of the benefits under the provisions of this act including the several
10 funds placed under said system. By that name, all of its business shall
11 be transacted, its funds invested, warrants for moneys drawn, and
12 payments made and all of its cash and securities and other property
13 held. All assets held in the name of the former "State Police
14 Retirement and Benevolent Fund" shall be transferred to the retirement
15 system established by this act.

16 t. "Surviving spouse" means the person to whom a member or a
17 retirant was married on the date of the death of the member or retirant.
18 The dependency of such a surviving spouse will be considered
19 terminated by the marriage of the surviving spouse subsequent to the
20 member's or the retirant's death, except that in the event of the
21 payment of ²[an]² accidental death ²[benefit] benefits, pursuant to
22 section 14 of P.L.1965, c.89 (C.53:5A-14)², the dependency of such
23 a surviving spouse will not be considered terminated by the marriage
24 of the surviving spouse subsequent to the member's death.

25 u. "Compensation" for purposes of computing pension
26 contributions means the base salary, for services as a member as
27 defined in this act, which is in accordance with established salary
28 policies of the State for all employees in the same position but shall
29 not include individual salary adjustments which are granted primarily
30 in anticipation of the member's retirement or additional remuneration
31 for performing temporary duties beyond the regular workday or shift.
32 (cf: P.L.1992, c.125, s.16)

33

34 ¹[6.] ²[5. ¹] ^{4.}² Section 14 of P.L.1965, c.89 (C.53:5A-14) is
35 amended to read as follows:

36 14. a. Upon the death of a member in active service as a result of
37 an accident met in the actual performance of duty at some definite time
38 and place, and such death was not the result of the member's willful
39 negligence, an accidental death benefit shall be payable if a report of
40 the accident is filed in the office of the Division of State Police within
41 60 days next following the accident, but the board of trustees may
42 waive such time limit, for a reasonable period, if in the judgment of
43 the board the circumstances warrant such action. No such application
44 shall be valid or acted upon unless it is filed in the office of the
45 retirement system within five years of the date of such death.

46 b. (1) Upon the receipt of proper proofs of the death of a member

1 on account of which an accidental death benefit is payable, there shall
2 be paid to the surviving spouse a pension of 70% of final
3 compensation or of adjusted final compensation, as appropriate, for
4 the use of that spouse and children of the deceased, to continue for as
5 long as the person qualifies as a "surviving spouse" for the purposes
6 of this act. If there is no surviving spouse or in case the spouse dies
7 [or remarries], 20% of final compensation or of adjusted final
8 compensation, as the case may be, will be payable to one surviving
9 child, 35% of final compensation or of adjusted final compensation, as
10 the case may be, to two surviving children in equal shares and if there
11 be three or more children, 50% of final compensation or of adjusted
12 final compensation, as the case may be, will be payable to such
13 children in equal shares.

14 If there is no surviving spouse or child, 25% of final compensation
15 will be payable to one surviving parent or 40% of final compensation
16 will be payable to two surviving parents in equal shares.

17 As used in this paragraph, "adjusted final compensation" means the
18 amount of final compensation or final compensation as adjusted, as the
19 case may be, increased by the same percentage increase which is
20 applied in any adjustments of the compensation schedule of active
21 members after the member's death and before the date on which the
22 deceased member of the retirement system would have accrued 25
23 years of service under an assumption of continuous service, at which
24 time the amount resulting from such increases shall become fixed and
25 shall be the basis for adjustments pursuant to the Pension Adjustment
26 Act, P.L.1958, c.143 (C.43:3B-1 et seq.). Any adjustments to final
27 compensation or adjusted final compensation shall take effect at the
28 same time as any adjustments in the compensation schedule of active
29 members. The provisions of the Pension Adjustment Act shall not
30 apply to any pension based upon adjusted final compensation other
31 than the fixed pension in effect at the conclusion of the 25-year period.

32 (2) In the event of accidental death occurring in the first year of
33 creditable service, the benefits, payable pursuant to this subsection,
34 shall be computed at the annual rate of compensation.

35 c. If there is no surviving spouse, child or parent, there shall be
36 paid to any other beneficiary of the deceased member, his aggregate
37 contributions at the time of death.

38 d. In no case shall the death benefits provided in subsection b. be
39 less than that provided under subsection c.

40 e. In addition to the foregoing benefits payable under subsection a.
41 or b., there shall also be paid in one sum to the member's beneficiary,
42 an amount equal to 3 1/2 times final compensation.

43 f. (Deleted by amendment.)

44 g. (Deleted by amendment.)

45 h. In addition to the foregoing benefits, the State shall pay to the
46 member's employer-sponsored health insurance program all health
47 insurance premiums for the coverage of the member's surviving spouse

1 and surviving children.
2 (cf: P.L.2001, c.350, s.1)

3
4 ¹[7.] ²[6.¹ (New section) Any person who was married to a
5 member who died in active service as a result of an accident met in the
6 actual performance of duty and who became ineligible to receive the
7 accidental death benefit payable pursuant to section 14 of P.L.1965,
8 c.89 (C.53:5A-14) because of remarriage prior to the effective date of
9 this act, P.L. , c. (C.) (now pending before the Legislature as
10 this bill), shall be reclassified as a surviving spouse as of the effective
11 date of this act.]²

12
13 ¹[8.] ²[7.¹] 5.² This act shall take effect immediately.

14
15
16 _____
17
18 Eliminates remarriage prohibition for PFRS and SPRS accidental death
19 benefits.

SENATE, No. 1434

STATE OF NEW JERSEY
210th LEGISLATURE

INTRODUCED MARCH 26, 2002

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Salem, Cumberland and Gloucester)

SYNOPSIS

Eliminates remarriage prohibition for PFRS and SPRS accidental death benefits; provides retirement allowance to certain survivors of PFRS members.

CURRENT VERSION OF TEXT

As introduced.



S1434 SWEENEY

2

1 AN ACT concerning death benefits in the Police and Firemen's
2 Retirement System and the State Police Retirement System and
3 amending P.L.1944, c.255 and P.L.1965, c.89.

4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7

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

10 1. As used in this act:

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

14 (2) (a) "Policeman" shall mean a permanent, full-time employee of
15 a law enforcement unit as defined in section 2 of P.L.1961, c.56
16 (C.52:17B-67) or the State, other than an officer or trooper of the
17 Division of State Police whose position is covered by the State Police
18 Retirement System, whose primary duties include the investigation,
19 apprehension or detention of persons suspected or convicted of
20 violating the criminal laws of the State and who:

21 (i) is authorized to carry a firearm while engaged in the actual
22 performance of his official duties;

23 (ii) has police powers;

24 (iii) is required to complete successfully the training requirements
25 prescribed by P.L.1961, c.56 (C.52:17B-66 et seq.) or comparable
26 training requirements as determined by the board of trustees; and

27 (iv) is subject to the physical and mental fitness requirements
28 applicable to the position of municipal police officer established by an
29 agency authorized to establish these requirements on a Statewide
30 basis, or comparable physical and mental fitness requirements as
31 determined by the board of trustees.

32 The term shall also include an administrative or supervisory
33 employee of a law enforcement unit or the State whose duties include
34 general or direct supervision of employees engaged in investigation,
35 apprehension or detention activities or training responsibility for these
36 employees and a requirement for engagement in investigation,
37 apprehension or detention activities if necessary, and who is
38 authorized to carry a firearm while in the actual performance of his
39 official duties and has police powers.

40 (b) "Fireman" shall mean a permanent, full-time employee of a
41 firefighting unit whose primary duties include the control and
42 extinguishment of fires and who is subject to the training and physical
43 and mental fitness requirements applicable to the position of municipal

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

Matter underlined thus is new matter.

1 firefighter established by an agency authorized to establish these
2 requirements on a Statewide basis, or comparable training and physical
3 and mental fitness requirements as determined by the board of trustees.
4 The term shall also include an administrative or supervisory employee
5 of a firefighting unit whose duties include general or direct supervision
6 of employees engaged in fire control and extinguishment activities or
7 training responsibility for these employees and a requirement for
8 engagement in fire control and extinguishment activities if necessary.
9 As used in this paragraph, "firefighting unit" shall mean a municipal
10 fire department, a fire district, or an agency of a county or the State
11 which is responsible for control and extinguishment of fires.

12 (3) "Member" shall mean any policeman or fireman included in the
13 membership of the retirement system pursuant to this amendatory and
14 supplementary act, P.L.1989, c.204 (C.43:16A-15.6 et al.).

15 (4) "Board of trustees" or "board" shall mean the board provided
16 for in section 13 of this act.

17 (5) "Medical board" shall mean the board of physicians provided
18 for in section 13 of this act.

19 (6) "Employer" shall mean the State of New Jersey, the county,
20 municipality or political subdivision thereof which pays the particular
21 policeman or fireman.

22 (7) "Service" shall mean service as a policeman or fireman paid for
23 by an employer.

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

26 (9) "Regular interest" shall mean interest as determined by the
27 State Treasurer, after consultation with the Directors of the Divisions
28 of Investment and Pensions, the board of trustees and the actuary. It
29 shall bear a reasonable relationship to the percentage rate of earnings
30 on investments based on the market value of assets but shall not
31 exceed the assumed percentage rate of increase applied to salaries plus
32 3%, provided however that the board of trustees shall not set the
33 average percentage rate of increase applied to salaries below 6%.

34 (10) "Aggregate contributions" shall mean the sum of all the
35 amounts, deducted from the compensation of a member or contributed
36 by him or on his behalf, standing to the credit of his individual account
37 in the annuity savings fund.

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

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

42 (13) "Retirement allowance" shall mean the pension plus the
43 annuity.

44 (14) "Earnable compensation" shall mean the full rate of the salary
45 that would be payable to an employee if he worked the full normal
46 working time for his position. In cases where salary includes

1 maintenance, the retirement system shall fix the value of that part of
2 the salary not paid in money which shall be considered under this act.

3 (15) "Average final compensation" shall mean the average annual
4 salary upon which contributions are made for the three years of
5 creditable service immediately preceding his retirement or death, or it
6 shall mean the average annual salary for which contributions are made
7 during any three fiscal years of his or her membership providing the
8 largest possible benefit to the member or his beneficiary.

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

12 (17) "Annuity reserve" shall mean the present value of all payments
13 to be made on account of any annuity or benefit in lieu of any annuity
14 computed upon the basis of such mortality tables recommended by the
15 actuary as shall be adopted by the board of trustees, and regular
16 interest.

17 (18) "Pension reserve" shall mean the present value of all payments
18 to be made on account of any pension or benefit in lieu of any pension
19 computed upon the basis of such mortality tables recommended by the
20 actuary as shall be adopted by the board of trustees, and regular
21 interest.

22 (19) "Actuarial equivalent" shall mean a benefit of equal value
23 when computed upon the basis of such mortality tables recommended
24 by the actuary as shall be adopted by the board of trustees, and regular
25 interest.

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

28 (21) "Child" shall mean a deceased member's or retirant's
29 unmarried child (a) under the age of 18, or (b) 18 years of age or older
30 and enrolled in a secondary school, or (c) under the age of 24 and
31 enrolled in a degree program in an institution of higher education for
32 at least 12 credit hours in each semester, provided that the member
33 died in active service as a result of an accident met in the actual
34 performance of duty at some definite time and place, and the death
35 was not the result of the member's willful misconduct, or (d) of any
36 age who, at the time of the member's or retirant's death, is disabled
37 because of mental retardation or physical incapacity, is unable to do
38 any substantial, gainful work because of the impairment and his
39 impairment has lasted or can be expected to last for a continuous
40 period of not less than 12 months, as affirmed by the medical board.

41 (22) "Parent" shall mean the parent of a member who was receiving
42 at least one-half of his support from the member in the 12-month
43 period immediately preceding the member's death or the accident
44 which was the direct cause of the member's death. The dependency of
45 such a parent will be considered terminated by marriage of the parent
46 subsequent to the death of the member.

1 (23) "Widower" shall mean the man to whom a member or retirant
2 was married on the date of her death and who has not remarried. In
3 the event of the payment of an accidental death benefit, the restriction
4 concerning remarriage shall be waived.

5 (24) "Widow" shall mean the woman to whom a member or retirant
6 was married on the date of his death and who has not remarried. In
7 the event of the payment of an accidental death benefit, the restriction
8 concerning remarriage shall be waived.

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

11 (26) "Compensation" shall mean the base salary, for services as a
12 member as defined in this act, which is in accordance with established
13 salary policies of the member's employer for all employees in the same
14 position but shall not include individual salary adjustments which are
15 granted primarily in anticipation of the member's retirement or
16 additional remuneration for performing temporary duties beyond the
17 regular workday.

18 (27) "Department" shall mean any police or fire department of a
19 municipality or a fire department of a fire district located in a township
20 or a county police or park police department or the appropriate
21 department of the State or instrumentality thereof.

22 (28) "Final compensation" means the compensation received by the
23 member in the last 12 months of creditable service preceding his
24 retirement or death.

25 (29) (Deleted by amendment, P.L.1992, c.78).

26 (30) (Deleted by amendment, P.L.1992, c.78).

27 (cf: P.L.1999, c.428, s.1)

28
29 2. Section 10 of P.L.1944, c.255 (C.43:16A-10) is amended to
30 read as follows:

31 10. (1) Upon the death of a member in active service as a result of
32 an accident met in the actual performance of duty at some definite time
33 and place, and such death was not the result of the member's willful
34 negligence, an accidental death benefit shall be payable if a report of
35 the accident is filed in the office of the retirement system within 60
36 days next following the accident, but the board of trustees may waive
37 such time limit, for a reasonable period, if in the judgment of the board
38 the circumstances warrant such action. No such application shall be
39 valid or acted upon unless it is filed in the office of the retirement
40 system within five years of the date of such death.

41 The provisions of this subsection shall also apply to a member who
42 is a fireman and who dies as a result of an accident met in the actual
43 performance of duty as a volunteer fireman in any municipality in the
44 State, provided the member's death was not the result of the member's
45 willful negligence.

46 (2) Upon the receipt of proper proofs of the death of a member on

1 account of which an accidental death benefit is payable, there shall be
2 paid to his widow or widower a pension of 70% of the compensation,
3 upon which contributions by the member to the annuity savings fund
4 were based in the last year of creditable service, for the use of herself
5 or himself and the children of the deceased member[, to continue
6 during her or his widowhood]; if there is no surviving widow or
7 widower or in case the widow or widower dies [or remarries], 20%
8 of such compensation will be payable to one surviving child, 35% of
9 such compensation to two surviving children in equal shares and if
10 there be three or more children, 50% of such compensation will be
11 payable to such children in equal shares.

12 If there is no surviving widow, widower or child, 25% of the
13 compensation upon which contributions by the member to the annuity
14 savings fund were based in the last year of creditable service, will be
15 payable to one surviving dependent parent or 40% of such
16 compensation will be payable to two surviving parents in equal shares.

17 In the event of accidental death occurring in the first year of
18 creditable service, the benefits, payable pursuant to this subsection,
19 shall be computed at the annual rate of compensation.

20 (3) If there is no surviving widow, widower, child or dependent
21 parent, there shall be paid to any other beneficiary of the deceased
22 member, his aggregate contributions at the time of death.

23 (4) In no case shall the death benefit provided in subsection (2) be
24 less than that provided under subsection (3).

25 (5) In addition to the foregoing benefits payable under subsection
26 (2) or (3), there shall also be paid in one sum to such beneficiary, if
27 living, as the member shall have nominated by written designation duly
28 executed and filed with the retirement system, otherwise to the
29 executor or administrator of the member's estate, an amount equal to
30 3 1/2 times the compensation upon which contributions by the
31 member to the annuity savings fund were based in the last year of
32 creditable service.

33 (6) In addition to the foregoing benefits, the State shall pay to the
34 member's employer-sponsored health insurance program all health
35 insurance premiums for the coverage of the member's surviving widow
36 or widower and dependent children.

37 (cf: P.L.1996, c.89, s.2)

38

39 3. (New section) Any person who was married to a member who
40 died in active service as a result of an accident met in the actual
41 performance of duty and who became ineligible to receive the
42 accidental death benefit payable pursuant to section 10 of
43 P.L.1944, c.255 (C.43:16A-10) because of remarriage prior to the
44 effective date of this act, P.L. , c. (C.) (now pending before
45 the Legislature as this bill), shall be reclassified as a surviving widow
46 or widower as of the effective date of this act.

1 4. (New section) The benefits payable upon receipt of proper
2 proof of death of a member of the Police and Firemen's Retirement
3 System in active service under section 9 of P.L.1944, c.255
4 (C.43:16A-9) shall be paid to a widow or widower or child or parent,
5 as appropriate, of a member who had 10 or more years of creditable
6 service in the retirement system, who died in active service on or after
7 June 1, 1995 and before January 1, 1998, and whose widow or
8 widower had, on May 1, 2001, an appeal of a denial of an accidental
9 death benefit pursuant to section 10 of P.L.1944, c.255 (C.43:16A-10)
10 pending before the board of trustees of the retirement system, if the
11 appeal before the board has been withdrawn or denied and an eligible
12 beneficiary applies to the Division of Pensions and Benefits within 90
13 days following the effective date of P.L. , c. (now pending before
14 the Legislature as this bill) and subject to the return to the system of
15 the member's aggregate contributions received by the beneficiary. The
16 State shall be liable for all costs to the retirement system attributable
17 to this section. The benefits provided in this section shall be paid
18 prospectively only, in the manner provided by the division for the
19 payment of such benefits generally.

20

21 5. Section 3 of P.L.1965, c.89 (C.53:5A-3) is amended to read as
22 follows:

23 3. As used in this act:

24 a. "Aggregate contributions" means the sum of all the amounts,
25 deducted from the salary of a member or contributed by him or on his
26 behalf, standing to the credit of his individual account in the Annuity
27 Savings Fund. Interest credited on contributions to the former "State
28 Police Retirement and Benevolent Fund" shall be included in a
29 member's aggregate contributions.

30 b. "Annuity" means payments for life derived from the aggregate
31 contributions of a member.

32 c. "Annuity reserve" means the present value of all payments to be
33 made on account of any annuity or benefit in lieu of an annuity,
34 computed upon the basis of such mortality tables recommended by the
35 actuary as the board of trustees adopts and regular interest.

36 d. "Beneficiary" means any person entitled to receive any benefit
37 pursuant to the provisions of this act by reason of the death of a
38 member or retirant.

39 e. "Board of trustees" or "board" means the board provided for in
40 section 30 of this act.

41 f. "Child" means a deceased member's or retirant's unmarried child
42 either (a) under the age of 18 or (b) of any age who, at the time of the
43 member's or retirant's death, is disabled because of mental retardation
44 or physical incapacity, is unable to do any substantial, gainful work
45 because of the impairment and his impairment has lasted or can be
46 expected to last for a continuous period of not less than 12 months, as

- 1 affirmed by the medical board.
- 2 g. "Creditable service" means service rendered for which credit is
3 allowed on the basis of contributions made by the member or the
4 State.
- 5 h. "Parent" means the parent of a member who was receiving at
6 least one-half of his support from the member in the 12-month period
7 immediately preceding the member's death or the accident which was
8 the direct cause of the member's death. The dependency of such a
9 parent will be considered terminated by marriage of the parent
10 subsequent to the death of the member.
- 11 i. "Final compensation" means the average compensation received
12 by the member in the last 12 months of creditable service preceding his
13 retirement or death. Such term includes the value of the member's
14 maintenance allowance for this same period.
- 15 j. "Final salary" means the average salary received by the member
16 in the last 12 months of creditable service preceding his retirement or
17 death. Such term shall not include the value of the member's
18 maintenance allowance.
- 19 k. "Fiscal year" means any year commencing with July 1 and ending
20 with June 30 next following.
- 21 l. "Medical board" means the board of physicians provided for in
22 section 30 of this act.
- 23 m. "Member" means any full-time, commissioned officer,
24 non-commissioned officer or trooper of the Division of State Police of
25 the Department of Law and Public Safety of the State of New Jersey
26 enrolled in the retirement system established by this act.
- 27 n. "Pension" means payment for life derived from contributions by
28 the State.
- 29 o. "Pension reserve" means the present value of all payments to be
30 made on account of any pension or benefit in lieu of any pension
31 computed on the basis of such mortality tables recommended by the
32 actuary as shall be adopted by the board of trustees and regular
33 interest.
- 34 p. "Regular interest" means interest as determined by the State
35 Treasurer, after consultation with the Directors of the Divisions of
36 Investment and Pensions, the board of trustees and the actuary. It
37 shall bear a reasonable relationship to the percentage rate of earnings
38 on investments based on the market value of the assets but shall not
39 exceed the assumed percentage rate of increase applied to salaries plus
40 3%, provided however that the board of trustees shall not set the
41 average percentage rate of increase applied to salaries below 6%.
- 42 q. "Retirant" means any former member receiving a retirement
43 allowance as provided by this act.
- 44 r. "Retirement allowance" means the pension plus the annuity.
- 45 s. "State Police Retirement System of New Jersey," herein also
46 referred to as the "retirement system" or "system," is the corporate

1 name of the arrangement for the payment of retirement allowances and
2 of the benefits under the provisions of this act including the several
3 funds placed under said system. By that name, all of its business shall
4 be transacted, its funds invested, warrants for moneys drawn, and
5 payments made and all of its cash and securities and other property
6 held. All assets held in the name of the former "State Police
7 Retirement and Benevolent Fund" shall be transferred to the retirement
8 system established by this act.

9 t. "Surviving spouse" means the person to whom a member or a
10 retirant was married on the date of the death of the member or retirant.
11 The dependency of such a surviving spouse will be considered
12 terminated by the marriage of the surviving spouse subsequent to the
13 member's or the retirant's death, except that in the event of the
14 payment of an accidental death benefit, the dependency of such a
15 surviving spouse will not be considered terminated by the marriage of
16 the surviving spouse subsequent to the member's death.

17 u. "Compensation" for purposes of computing pension
18 contributions means the base salary, for services as a member as
19 defined in this act, which is in accordance with established salary
20 policies of the State for all employees in the same position but shall
21 not include individual salary adjustments which are granted primarily
22 in anticipation of the member's retirement or additional remuneration
23 for performing temporary duties beyond the regular workday or shift.
24 (cf: P.L.1992, c.125, s.16)

25

26 6. Section 14 of P.L.1965, c.89 (C.53:5A-14) is amended to read
27 as follows:

28 14. a. Upon the death of a member in active service as a result of
29 an accident met in the actual performance of duty at some definite time
30 and place, and such death was not the result of the member's willful
31 negligence, an accidental death benefit shall be payable if a report of
32 the accident is filed in the office of the Division of State Police within
33 60 days next following the accident, but the board of trustees may
34 waive such time limit, for a reasonable period, if in the judgment of
35 the board the circumstances warrant such action. No such application
36 shall be valid or acted upon unless it is filed in the office of the
37 retirement system within five years of the date of such death.

38 b. (1) Upon the receipt of proper proofs of the death of a member
39 on account of which an accidental death benefit is payable, there shall
40 be paid to the surviving spouse a pension of 70% of final
41 compensation or of adjusted final compensation, as appropriate, for
42 the use of that spouse and children of the deceased, to continue for as
43 long as the person qualifies as a "surviving spouse" for the purposes
44 of this act. If there is no surviving spouse or in case the spouse dies
45 [or remarries], 20% of final compensation or of adjusted final
46 compensation, as the case may be, will be payable to one surviving

1 child, 35% of final compensation or of adjusted final compensation, as
2 the case may be, to two surviving children in equal shares and if there
3 be three or more children, 50% of final compensation or of adjusted
4 final compensation, as the case may be, will be payable to such
5 children in equal shares.

6 If there is no surviving spouse or child, 25% of final compensation
7 will be payable to one surviving parent or 40% of final compensation
8 will be payable to two surviving parents in equal shares.

9 As used in this paragraph, "adjusted final compensation" means the
10 amount of final compensation or final compensation as adjusted, as the
11 case may be, increased by the same percentage increase which is
12 applied in any adjustments of the compensation schedule of active
13 members after the member's death and before the date on which the
14 deceased member of the retirement system would have accrued 25
15 years of service under an assumption of continuous service, at which
16 time the amount resulting from such increases shall become fixed and
17 shall be the basis for adjustments pursuant to the Pension Adjustment
18 Act, P.L.1958, c.143 (C.43:3B-1 et seq.). Any adjustments to final
19 compensation or adjusted final compensation shall take effect at the
20 same time as any adjustments in the compensation schedule of active
21 members. The provisions of the Pension Adjustment Act shall not
22 apply to any pension based upon adjusted final compensation other
23 than the fixed pension in effect at the conclusion of the 25-year period.

24 (2) In the event of accidental death occurring in the first year of
25 creditable service, the benefits, payable pursuant to this subsection,
26 shall be computed at the annual rate of compensation.

27 c. If there is no surviving spouse, child or parent, there shall be
28 paid to any other beneficiary of the deceased member, his aggregate
29 contributions at the time of death.

30 d. In no case shall the death benefits provided in subsection b. be
31 less than that provided under subsection c.

32 e. In addition to the foregoing benefits payable under subsection a.
33 or b., there shall also be paid in one sum to the member's beneficiary,
34 an amount equal to 3 1/2 times final compensation.

35 f. (Deleted by amendment.)

36 g. (Deleted by amendment.)

37 h. In addition to the foregoing benefits, the State shall pay to the
38 member's employer-sponsored health insurance program all health
39 insurance premiums for the coverage of the member's surviving spouse
40 and surviving children.

41 (cf: P.L.2001, c.350, s.1)

42

43 7. (New section) Any person who was married to a member who
44 died in active service as a result of an accident met in the actual
45 performance of duty and who became ineligible to receive the
46 accidental death benefit payable pursuant to section 14 of P.L.1965,

1 c.89 (C.53:5A-14) because of remarriage prior to the effective date of
2 this act, P.L. , c. (C.) (now pending before the Legislature as
3 this bill), shall be reclassified as a surviving spouse as of the effective
4 date of this act.

5
6 8. This act shall take effect immediately.

7
8
9 STATEMENT

10
11 At present, the surviving spouse of a member of the Police and
12 Firemen's Retirement System (PFRS) or the State Police Retirement
13 System (SPRS) who died in active service as a result of an accident
14 met in the actual performance of duty loses the accidental death
15 benefit pension if he or she remarries. This bill would allow these
16 surviving spouses to remarry without losing this benefit. The bill
17 restores the accidental death benefit to those surviving spouses who
18 lost this benefit because of remarriage prior to the enactment of this
19 bill.

20 The basic accidental death benefit for a surviving PFRS spouse is
21 a pension of 70% of the compensation upon which contributions by
22 the member were based in the last year of creditable service; for a
23 surviving SPRS spouse the benefit is a pension of 70% of the average
24 compensation received by the member in the last 12 months of
25 creditable service prior to death.

26 The bill also provides that certain widows or widowers will be
27 entitled to a PFRS non-accidental death benefit if the member died in
28 active service on or after June 1, 1995 and prior to January 1, 1998,
29 if the member had 10 or more years of PFRS service, and if the widow
30 or widower had an appeal of a denial of an accidental death benefit
31 before the PFRS board of trustees.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

[Second Reprint]

SENATE, No. 1434

STATE OF NEW JERSEY

DATED: JUNE 16, 2003

The Assembly Budget Committee reports favorably Senate Bill No. 1434 (2R).

Senate Bill No. 1434 (2R) provides that the eligibility of a surviving spouse to receive an accidental death benefit under the Police and Firemen's Retirement System (PFRS) or the State Police Retirement System (SPRS) shall not terminate upon remarriage.

Under the PFRS, when a member of the system dies in active service as a result of an accident met in the actual performance of duty, the surviving spouse is eligible to receive a survivorship benefit consisting of (i) a pension equal to 70% of the compensation upon which contributions by the member were based in the last year of creditable service, and (ii) State-paid coverage under the member's employer-sponsored health insurance plan. Under the SPRS, the corresponding accidental death benefit to the surviving spouse is a pension of 70% of the average compensation received by the member in the last 12 months of creditable service prior to death, plus the health benefit coverage. (In the absence of a surviving spouse, other benefits may be payable to the decedent's children or parents; in addition, a lump sum benefit is payable to whatever beneficiary the member has designated in writing.)

Currently, under both systems, the surviving spouse ceases to be eligible for the accidental death benefit if he or she remarries. This bill would allow these surviving spouses to remarry without losing the benefit.

As reported, this bill is identical to A-2129 (1R) as amended and reported by the committee.

FISCAL IMPACT

The Division of Pensions and Benefits in the Department of the Treasury estimated the prospective increase in pension liabilities attributable to the enactment of this bill as referred to the committee at \$25.1 million. This unfunded liability includes cost increases of \$3.1 million to the PFRS - State, \$16.7 million to the PFRS - Local, and \$5.3 million to SPRS. (These unfunded accrued liabilities would be paid over a period of 30 years, starting in FY2004.) The Office of

Legislative Services estimates that the removal of retrospective applicability of the legislation may reduce the cost of the bill by roughly 50%.

SENATE STATE GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 1434

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 6, 2002

The Senate State Government Committee reports favorably and with committee amendments Senate, No. 1434.

At present, the surviving spouse of a member of the Police and Firemen's Retirement System (PFRS) or the State Police Retirement System (SPRS) who died in active service as a result of an accident met in the actual performance of duty loses the accidental death benefit pension if he or she remarries. This bill would allow these surviving spouses to remarry without losing this benefit. The bill restores the accidental death benefit to those surviving spouses who lost this benefit because of remarriage prior to the enactment of this bill.

The basic accidental death benefit for a surviving PFRS spouse is a pension of 70% of the compensation upon which contributions by the member were based in the last year of creditable service; for a surviving SPRS spouse the benefit is a pension of 70% of the average compensation received by the member in the last 12 months of creditable service prior to death.

COMMITTEE AMENDMENTS

The committee amended the bill to remove a provision granting certain widows or widowers a PFRS non-accidental death benefit if the member died in active service on or after June 1, 1995 and prior to January 1, 1998, if the member had 10 or more years of PFRS service, and if the widow or widower had an appeal of a denial of an accidental death benefit before the PFRS board of trustees.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 1434

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 15, 2003

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 1434 (1R).

This bill provides that the eligibility of a surviving spouse to receive an accidental death benefit under the Police and Firemen's Retirement System (PFRS) or the State Police Retirement System (SPRS) shall not terminate upon remarriage.

Under the PFRS, when a member of the system dies in active service as a result of an accident met in the actual performance of duty, the surviving spouse is eligible to receive a survivorship benefit consisting of (i) a pension equal to 70% of the compensation upon which contributions by the member were based in the last year of creditable service, and (ii) State-paid coverage under the member's employer-sponsored health insurance plan. Under the SPRS, the corresponding accidental death benefit to the surviving spouse is a pension of 70% of the average compensation received by the member in the last 12 months of creditable service prior to death, plus the health benefit coverage. (In the absence of a surviving spouse, other benefits may be payable to the decedent's children or parents; in addition, a lump sum benefit is payable to whatever beneficiary the member has designated in writing.)

Currently, under both systems, the surviving spouse ceases to be eligible for the accidental death benefit if he or she remarries. This bill would allow these surviving spouses to remarry without losing the benefit.

COMMITTEE AMENDMENTS

Committee amendments to the bill (1) delete provisions extending its coverage to those PFRS and SPRS surviving spouses who lost the accidental death benefit because of remarriage prior to the enactment of the legislation, and (2) clarify that, for the remaining spouses, both the pension and paid health insurance are to continue upon remarriage.

FISCAL IMPACT

The Division of Pensions and Benefits in the Department of the Treasury estimated the prospective increase in pension liabilities attributable to the enactment of this bill as referred to the committee at \$25.1 million. This unfunded liability includes cost increases of \$3.1 million to the PFRS - State, \$16.7 million to the PFRS - Local, and \$5.3 million to SPRS. (These unfunded accrued liabilities would be paid over a period of 30 years, starting in FY2004.) The Office of Legislative Services estimates that the removal of retrospective applicability of the legislation may reduce the cost of the bill by roughly 50%.

ASSEMBLY, No. 2129

STATE OF NEW JERSEY 210th LEGISLATURE

INTRODUCED MARCH 26, 2002

Sponsored by:

Assemblyman DOUGLAS H. FISHER

District 3 (Salem, Cumberland and Gloucester)

Assemblyman JOHN J. BURZICHELLI

District 3 (Salem, Cumberland and Gloucester)

Co-Sponsored by:

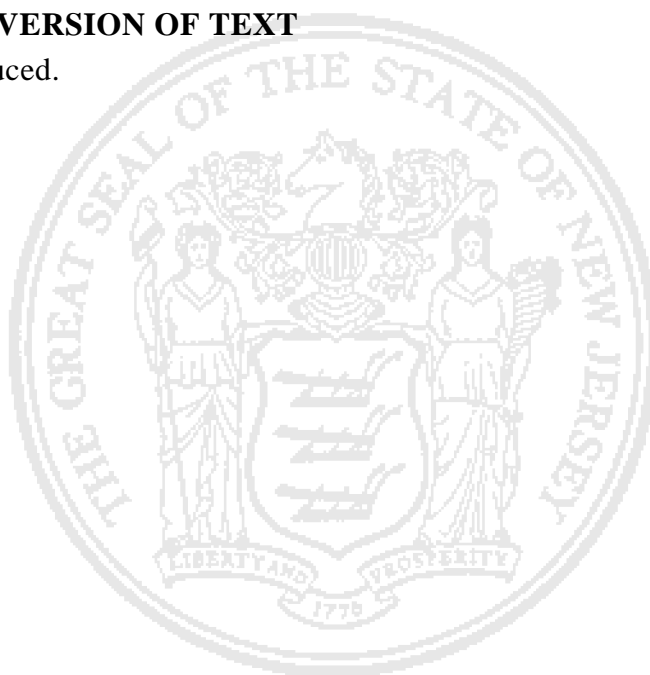
Assemblyman Asselta

SYNOPSIS

Eliminates remarriage prohibition for PFRS and SPRS accidental death benefits; provides retirement allowance to certain survivors of PFRS members.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/18/2002)

A2129 FISHER, BURZICHELLI

2

1 AN ACT concerning death benefits in the Police and Firemen's
2 Retirement System and the State Police Retirement System and
3 amending P.L.1944, c.255 and P.L.1965, c.89.

4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7

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

10 1. As used in this act:

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

14 (2) (a) "Policeman" shall mean a permanent, full-time employee of
15 a law enforcement unit as defined in section 2 of P.L.1961, c.56
16 (C.52:17B-67) or the State, other than an officer or trooper of the
17 Division of State Police whose position is covered by the State Police
18 Retirement System, whose primary duties include the investigation,
19 apprehension or detention of persons suspected or convicted of
20 violating the criminal laws of the State and who:

21 (i) is authorized to carry a firearm while engaged in the actual
22 performance of his official duties;

23 (ii) has police powers;

24 (iii) is required to complete successfully the training requirements
25 prescribed by P.L.1961, c.56 (C.52:17B-66 et seq.) or comparable
26 training requirements as determined by the board of trustees; and

27 (iv) is subject to the physical and mental fitness requirements
28 applicable to the position of municipal police officer established by an
29 agency authorized to establish these requirements on a Statewide
30 basis, or comparable physical and mental fitness requirements as
31 determined by the board of trustees.

32 The term shall also include an administrative or supervisory
33 employee of a law enforcement unit or the State whose duties include
34 general or direct supervision of employees engaged in investigation,
35 apprehension or detention activities or training responsibility for these
36 employees and a requirement for engagement in investigation,
37 apprehension or detention activities if necessary, and who is
38 authorized to carry a firearm while in the actual performance of his
39 official duties and has police powers.

40 (b) "Fireman" shall mean a permanent, full-time employee of a
41 firefighting unit whose primary duties include the control and
42 extinguishment of fires and who is subject to the training and physical
43 and mental fitness requirements applicable to the position of municipal

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

Matter underlined thus is new matter.

1 firefighter established by an agency authorized to establish these
2 requirements on a Statewide basis, or comparable training and physical
3 and mental fitness requirements as determined by the board of trustees.
4 The term shall also include an administrative or supervisory employee
5 of a firefighting unit whose duties include general or direct supervision
6 of employees engaged in fire control and extinguishment activities or
7 training responsibility for these employees and a requirement for
8 engagement in fire control and extinguishment activities if necessary.
9 As used in this paragraph, "firefighting unit" shall mean a municipal
10 fire department, a fire district, or an agency of a county or the State
11 which is responsible for control and extinguishment of fires.

12 (3) "Member" shall mean any policeman or fireman included in the
13 membership of the retirement system pursuant to this amendatory and
14 supplementary act, P.L.1989, c.204 (C.43:16A-15.6 et al.).

15 (4) "Board of trustees" or "board" shall mean the board provided
16 for in section 13 of this act.

17 (5) "Medical board" shall mean the board of physicians provided
18 for in section 13 of this act.

19 (6) "Employer" shall mean the State of New Jersey, the county,
20 municipality or political subdivision thereof which pays the particular
21 policeman or fireman.

22 (7) "Service" shall mean service as a policeman or fireman paid for
23 by an employer.

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

26 (9) "Regular interest" shall mean interest as determined by the
27 State Treasurer, after consultation with the Directors of the Divisions
28 of Investment and Pensions, the board of trustees and the actuary. It
29 shall bear a reasonable relationship to the percentage rate of earnings
30 on investments based on the market value of assets but shall not
31 exceed the assumed percentage rate of increase applied to salaries plus
32 3%, provided however that the board of trustees shall not set the
33 average percentage rate of increase applied to salaries below 6%.

34 (10) "Aggregate contributions" shall mean the sum of all the
35 amounts, deducted from the compensation of a member or contributed
36 by him or on his behalf, standing to the credit of his individual account
37 in the annuity savings fund.

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

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

42 (13) "Retirement allowance" shall mean the pension plus the
43 annuity.

44 (14) "Earnable compensation" shall mean the full rate of the salary
45 that would be payable to an employee if he worked the full normal
46 working time for his position. In cases where salary includes

1 maintenance, the retirement system shall fix the value of that part of
2 the salary not paid in money which shall be considered under this act.

3 (15) "Average final compensation" shall mean the average annual
4 salary upon which contributions are made for the three years of
5 creditable service immediately preceding his retirement or death, or it
6 shall mean the average annual salary for which contributions are made
7 during any three fiscal years of his or her membership providing the
8 largest possible benefit to the member or his beneficiary.

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

12 (17) "Annuity reserve" shall mean the present value of all payments
13 to be made on account of any annuity or benefit in lieu of any annuity
14 computed upon the basis of such mortality tables recommended by the
15 actuary as shall be adopted by the board of trustees, and regular
16 interest.

17 (18) "Pension reserve" shall mean the present value of all payments
18 to be made on account of any pension or benefit in lieu of any pension
19 computed upon the basis of such mortality tables recommended by the
20 actuary as shall be adopted by the board of trustees, and regular
21 interest.

22 (19) "Actuarial equivalent" shall mean a benefit of equal value
23 when computed upon the basis of such mortality tables recommended
24 by the actuary as shall be adopted by the board of trustees, and regular
25 interest.

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

28 (21) "Child" shall mean a deceased member's or retirant's
29 unmarried child (a) under the age of 18, or (b) 18 years of age or older
30 and enrolled in a secondary school, or (c) under the age of 24 and
31 enrolled in a degree program in an institution of higher education for
32 at least 12 credit hours in each semester, provided that the member
33 died in active service as a result of an accident met in the actual
34 performance of duty at some definite time and place, and the death
35 was not the result of the member's willful misconduct, or (d) of any
36 age who, at the time of the member's or retirant's death, is disabled
37 because of mental retardation or physical incapacity, is unable to do
38 any substantial, gainful work because of the impairment and his
39 impairment has lasted or can be expected to last for a continuous
40 period of not less than 12 months, as affirmed by the medical board.

41 (22) "Parent" shall mean the parent of a member who was receiving
42 at least one-half of his support from the member in the 12-month
43 period immediately preceding the member's death or the accident
44 which was the direct cause of the member's death. The dependency of
45 such a parent will be considered terminated by marriage of the parent
46 subsequent to the death of the member.

1 (23) "Widower" shall mean the man to whom a member or retirant
2 was married on the date of her death and who has not remarried. In
3 the event of the payment of an accidental death benefit, the restriction
4 concerning remarriage shall be waived.

5 (24) "Widow" shall mean the woman to whom a member or retirant
6 was married on the date of his death and who has not remarried. In
7 the event of the payment of an accidental death benefit, the restriction
8 concerning remarriage shall be waived.

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

11 (26) "Compensation" shall mean the base salary, for services as a
12 member as defined in this act, which is in accordance with established
13 salary policies of the member's employer for all employees in the same
14 position but shall not include individual salary adjustments which are
15 granted primarily in anticipation of the member's retirement or
16 additional remuneration for performing temporary duties beyond the
17 regular workday.

18 (27) "Department" shall mean any police or fire department of a
19 municipality or a fire department of a fire district located in a township
20 or a county police or park police department or the appropriate
21 department of the State or instrumentality thereof.

22 (28) "Final compensation" means the compensation received by the
23 member in the last 12 months of creditable service preceding his
24 retirement or death.

25 (29) (Deleted by amendment, P.L.1992, c.78).

26 (30) (Deleted by amendment, P.L.1992, c.78).

27 (cf: P.L.1999, c.428, s.1)

28

29 2. Section 10 of P.L.1944, c.255 (C.43:16A-10) is amended to
30 read as follows:

31 10. (1) Upon the death of a member in active service as a result of
32 an accident met in the actual performance of duty at some definite time
33 and place, and such death was not the result of the member's willful
34 negligence, an accidental death benefit shall be payable if a report of
35 the accident is filed in the office of the retirement system within
36 60 days next following the accident, but the board of trustees may
37 waive such time limit, for a reasonable period, if in the judgment of the
38 board the circumstances warrant such action. No such application
39 shall be valid or acted upon unless it is filed in the office of the
40 retirement system within five years of the date of such death.

41 The provisions of this subsection shall also apply to a member who
42 is a fireman and who dies as a result of an accident met in the actual
43 performance of duty as a volunteer fireman in any municipality in the
44 State, provided the member's death was not the result of the member's
45 willful negligence.

1 (2) Upon the receipt of proper proofs of the death of a member on
2 account of which an accidental death benefit is payable, there shall be
3 paid to his widow or widower a pension of 70% of the compensation,
4 upon which contributions by the member to the annuity savings fund
5 were based in the last year of creditable service, for the use of herself
6 or himself and the children of the deceased member[, to continue
7 during her or his widowhood]; if there is no surviving widow or
8 widower or in case the widow or widower dies [or remarries], 20%
9 of such compensation will be payable to one surviving child, 35% of
10 such compensation to two surviving children in equal shares and if
11 there be three or more children, 50% of such compensation will be
12 payable to such children in equal shares.

13 If there is no surviving widow, widower or child, 25% of the
14 compensation upon which contributions by the member to the annuity
15 savings fund were based in the last year of creditable service, will be
16 payable to one surviving dependent parent or 40% of such
17 compensation will be payable to two surviving parents in equal shares.

18 In the event of accidental death occurring in the first year of
19 creditable service, the benefits, payable pursuant to this subsection,
20 shall be computed at the annual rate of compensation.

21 (3) If there is no surviving widow, widower, child or dependent
22 parent, there shall be paid to any other beneficiary of the deceased
23 member, his aggregate contributions at the time of death.

24 (4) In no case shall the death benefit provided in subsection (2) be
25 less than that provided under subsection (3).

26 (5) In addition to the foregoing benefits payable under subsection
27 (2) or (3), there shall also be paid in one sum to such beneficiary, if
28 living, as the member shall have nominated by written designation duly
29 executed and filed with the retirement system, otherwise to the
30 executor or administrator of the member's estate, an amount equal to
31 $3\frac{1}{2}$ times the compensation upon which contributions by the
32 member to the annuity savings fund were based in the last year of
33 creditable service.

34 (6) In addition to the foregoing benefits, the State shall pay to the
35 member's employer-sponsored health insurance program all health
36 insurance premiums for the coverage of the member's surviving widow
37 or widower and dependent children.

38 (cf: P.L.1996, c.89, s.2)

39

40 3. (New section) Any person who was married to a member who
41 died in active service as a result of an accident met in the actual
42 performance of duty and who became ineligible to receive the
43 accidental death benefit payable pursuant to section 10 of
44 P.L.1944, c.255 (C.43:16A-10) because of remarriage prior to the
45 effective date of this act, P.L. , c. (C.) (now pending before
46 the Legislature as this bill), shall be reclassified as a surviving widow
47 or widower as of the effective date of this act.

1 4. (New section) The benefits payable upon receipt of proper
2 proof of death of a member of the Police and Firemen's Retirement
3 System in active service under section 9 of P.L.1944, c.255
4 (C.43:16A-9) shall be paid to a widow or widower or child or parent,
5 as appropriate, of a member who had 10 or more years of creditable
6 service in the retirement system, who died in active service on or after
7 June 1, 1995 and before January 1, 1998, and whose widow or
8 widower had, on May 1, 2001, an appeal of a denial of an accidental
9 death benefit pursuant to section 10 of P.L.1944, c.255 (C.43:16A-10)
10 pending before the board of trustees of the retirement system, if the
11 appeal before the board has been withdrawn or denied and an eligible
12 beneficiary applies to the Division of Pensions and Benefits within
13 90 days following the effective date of P.L. , c. (now pending
14 before the Legislature as this bill) and subject to the return to the
15 system of the member's aggregate contributions received by the
16 beneficiary. The State shall be liable for all costs to the retirement
17 system attributable to this section. The benefits provided in this
18 section shall be paid prospectively only, in the manner provided by the
19 division for the payment of such benefits generally.

20

21 5. Section 3 of P.L.1965, c.89 (C.53:5A-3) is amended to read as
22 follows:

23 3. As used in this act:

24 a. "Aggregate contributions" means the sum of all the amounts,
25 deducted from the salary of a member or contributed by him or on his
26 behalf, standing to the credit of his individual account in the Annuity
27 Savings Fund. Interest credited on contributions to the former "State
28 Police Retirement and Benevolent Fund" shall be included in a
29 member's aggregate contributions.

30 b. "Annuity" means payments for life derived from the aggregate
31 contributions of a member.

32 c. "Annuity reserve" means the present value of all payments to be
33 made on account of any annuity or benefit in lieu of an annuity,
34 computed upon the basis of such mortality tables recommended by the
35 actuary as the board of trustees adopts and regular interest.

36 d. "Beneficiary" means any person entitled to receive any benefit
37 pursuant to the provisions of this act by reason of the death of a
38 member or retirant.

39 e. "Board of trustees" or "board" means the board provided for in
40 section 30 of this act.

41 f. "Child" means a deceased member's or retirant's unmarried child
42 either (a) under the age of 18 or (b) of any age who, at the time of the
43 member's or retirant's death, is disabled because of mental retardation
44 or physical incapacity, is unable to do any substantial, gainful work
45 because of the impairment and his impairment has lasted or can be
46 expected to last for a continuous period of not less than 12 months, as
47 affirmed by the medical board.

- 1 g. "Creditable service" means service rendered for which credit is
2 allowed on the basis of contributions made by the member or the
3 State.
- 4 h. "Parent" means the parent of a member who was receiving at
5 least one-half of his support from the member in the 12-month period
6 immediately preceding the member's death or the accident which was
7 the direct cause of the member's death. The dependency of such a
8 parent will be considered terminated by marriage of the parent
9 subsequent to the death of the member.
- 10 i. "Final compensation" means the average compensation received
11 by the member in the last 12 months of creditable service preceding his
12 retirement or death. Such term includes the value of the member's
13 maintenance allowance for this same period.
- 14 j. "Final salary" means the average salary received by the member
15 in the last 12 months of creditable service preceding his retirement or
16 death. Such term shall not include the value of the member's
17 maintenance allowance.
- 18 k. "Fiscal year" means any year commencing with July 1 and ending
19 with June 30 next following.
- 20 l. "Medical board" means the board of physicians provided for in
21 section 30 of this act.
- 22 m. "Member" means any full-time, commissioned officer,
23 non-commissioned officer or trooper of the Division of State Police of
24 the Department of Law and Public Safety of the State of New Jersey
25 enrolled in the retirement system established by this act.
- 26 n. "Pension" means payment for life derived from contributions by
27 the State.
- 28 o. "Pension reserve" means the present value of all payments to be
29 made on account of any pension or benefit in lieu of any pension
30 computed on the basis of such mortality tables recommended by the
31 actuary as shall be adopted by the board of trustees and regular
32 interest.
- 33 p. "Regular interest" means interest as determined by the State
34 Treasurer, after consultation with the Directors of the Divisions of
35 Investment and Pensions, the board of trustees and the actuary. It
36 shall bear a reasonable relationship to the percentage rate of earnings
37 on investments based on the market value of the assets but shall not
38 exceed the assumed percentage rate of increase applied to salaries plus
39 3%, provided however that the board of trustees shall not set the
40 average percentage rate of increase applied to salaries below 6%.
- 41 q. "Retirant" means any former member receiving a retirement
42 allowance as provided by this act.
- 43 r. "Retirement allowance" means the pension plus the annuity.
- 44 s. "State Police Retirement System of New Jersey," herein also
45 referred to as the "retirement system" or "system," is the corporate
46 name of the arrangement for the payment of retirement allowances and
47 of the benefits under the provisions of this act including the several

1 funds placed under said system. By that name, all of its business shall
2 be transacted, its funds invested, warrants for moneys drawn, and
3 payments made and all of its cash and securities and other property
4 held. All assets held in the name of the former "State Police
5 Retirement and Benevolent Fund" shall be transferred to the retirement
6 system established by this act.

7 t. "Surviving spouse" means the person to whom a member or a
8 retirant was married on the date of the death of the member or retirant.
9 The dependency of such a surviving spouse will be considered
10 terminated by the marriage of the surviving spouse subsequent to the
11 member's or the retirant's death, except that in the event of the
12 payment of an accidental death benefit, the dependency of such a
13 surviving spouse will not be considered terminated by the marriage of
14 the surviving spouse subsequent to the member's death.

15 u. "Compensation" for purposes of computing pension contributions
16 means the base salary, for services as a member as defined in this act,
17 which is in accordance with established salary policies of the State for
18 all employees in the same position but shall not include individual
19 salary adjustments which are granted primarily in anticipation of the
20 member's retirement or additional remuneration for performing
21 temporary duties beyond the regular workday or shift.

22 (cf: P.L.1992, c.125, s.16)

23

24 6. Section 14 of P.L.1965, c.89 (C.53:5A-14) is amended to read
25 as follows:

26 14. a. Upon the death of a member in active service as a result of
27 an accident met in the actual performance of duty at some definite time
28 and place, and such death was not the result of the member's willful
29 negligence, an accidental death benefit shall be payable if a report of
30 the accident is filed in the office of the Division of State Police within
31 60 days next following the accident, but the board of trustees may
32 waive such time limit, for a reasonable period, if in the judgment of
33 the board the circumstances warrant such action. No such application
34 shall be valid or acted upon unless it is filed in the office of the
35 retirement system within five years of the date of such death.

36 b. (1) Upon the receipt of proper proofs of the death of a member
37 on account of which an accidental death benefit is payable, there shall
38 be paid to the surviving spouse a pension of 70% of final
39 compensation or of adjusted final compensation, as appropriate, for
40 the use of that spouse and children of the deceased, to continue for as
41 long as the person qualifies as a "surviving spouse" for the purposes
42 of this act. If there is no surviving spouse or in case the spouse dies
43 [or remarries], 20% of final compensation or of adjusted final
44 compensation, as the case may be, will be payable to one surviving
45 child, 35% of final compensation or of adjusted final compensation, as
46 the case may be, to two surviving children in equal shares and if there
47 be three or more children, 50% of final compensation or of adjusted

1 final compensation, as the case may be, will be payable to such
2 children in equal shares.

3 If there is no surviving spouse or child, 25% of final compensation
4 will be payable to one surviving parent or 40% of final compensation
5 will be payable to two surviving parents in equal shares.

6 As used in this paragraph, "adjusted final compensation" means the
7 amount of final compensation or final compensation as adjusted, as the
8 case may be, increased by the same percentage increase which is
9 applied in any adjustments of the compensation schedule of active
10 members after the member's death and before the date on which the
11 deceased member of the retirement system would have accrued
12 25 years of service under an assumption of continuous service, at
13 which time the amount resulting from such increases shall become
14 fixed and shall be the basis for adjustments pursuant to the Pension
15 Adjustment Act, P.L.1958, c.143 (C.43:3B-1 et seq.). Any
16 adjustments to final compensation or adjusted final compensation shall
17 take effect at the same time as any adjustments in the compensation
18 schedule of active members. The provisions of the Pension
19 Adjustment Act shall not apply to any pension based upon adjusted
20 final compensation other than the fixed pension in effect at the
21 conclusion of the 25-year period.

22 (2) In the event of accidental death occurring in the first year of
23 creditable service, the benefits, payable pursuant to this subsection,
24 shall be computed at the annual rate of compensation.

25 c. If there is no surviving spouse, child or parent, there shall be
26 paid to any other beneficiary of the deceased member, his aggregate
27 contributions at the time of death.

28 d. In no case shall the death benefits provided in subsection b. be
29 less than that provided under subsection c.

30 e. In addition to the foregoing benefits payable under subsection a.
31 or b., there shall also be paid in one sum to the member's beneficiary,
32 an amount equal to 3 1/2 times final compensation.

33 f. (Deleted by amendment.)

34 g. (Deleted by amendment.)

35 h. In addition to the foregoing benefits, the State shall pay to the
36 member's employer-sponsored health insurance program all health
37 insurance premiums for the coverage of the member's surviving spouse
38 and surviving children.

39 (cf: P.L.2001, c.350, s.1)

40

41 7. (New section) Any person who was married to a member who
42 died in active service as a result of an accident met in the actual
43 performance of duty and who became ineligible to receive the
44 accidental death benefit payable pursuant to section 14 of P.L.1965,
45 c.89 (C.53:5A-14) because of remarriage prior to the effective date of
46 this act, P.L. , c. (C.) (now pending before the Legislature as
47 this bill), shall be reclassified as a surviving spouse as of the effective

1 date of this act.

2

3 8. This act shall take effect immediately.

4

5

6

STATEMENT

7

8 At present, the surviving spouse of a member of the Police and
9 Firemen's Retirement System (PFRS) or the State Police Retirement
10 System (SPRS) who died in active service as a result of an accident
11 met in the actual performance of duty loses the accidental death
12 benefit pension if he or she remarries. This bill would allow these
13 surviving spouses to remarry without losing this benefit. The bill
14 restores the accidental death benefit to those surviving spouses who
15 lost this benefit because of remarriage prior to the enactment of this
16 bill.

17 The basic accidental death benefit for a surviving PFRS spouse is
18 a pension of 70% of the compensation upon which contributions by
19 the member were based in the last year of creditable service; for a
20 surviving SPRS spouse the benefit is a pension of 70% of the average
21 compensation received by the member in the last 12 months of
22 creditable service prior to death.

23 The bill also provides that certain widows or widowers will be
24 entitled to a PFRS non-accidental death benefit if the member died in
25 active service on or after June 1, 1995 and prior to January 1, 1998,
26 if the member had 10 or more years of PFRS service, and if the widow
27 or widower had an appeal of a denial of an accidental death benefit
28 before the PFRS board of trustees.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2129

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 17, 2002

The Assembly State Government Committee reports favorably and with committee amendments Assembly Bill No. 2129.

At present, the surviving spouse of a member of the Police and Firemen's Retirement System (PFRS) or the State Police Retirement System (SPRS) who died in active service as a result of an accident met in the actual performance of duty loses the accidental death benefit pension if he or she remarries. This bill would allow these surviving spouses to remarry without losing this benefit. The bill restores the accidental death benefit to those surviving spouses who lost this benefit because of remarriage prior to the enactment of this bill.

The basic accidental death benefit for a surviving PFRS spouse is a pension of 70% of the compensation upon which contributions by the member were based in the last year of creditable service; for a surviving SPRS spouse the benefit is a pension of 70% of the average compensation received by the member in the last 12 months of creditable service prior to death.

COMMITTEE AMENDMENTS:

The committee amended the bill to delete a provision of it that provides that certain widows or widowers will be entitled to a PFRS non-accidental death benefit if the member died in active service on or after June 1, 1995 and prior to January 1, 1998, if the member had 10 or more years of PFRS service, and if the widow or widower had an appeal of a denial of an accidental death benefit before the PFRS board of trustees on May 1, 2001.

As amended, the bill is identical to Senate Bill No.1434 (1R).

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 2129

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JUNE 16, 2003

The Assembly Budget Committee reports favorably Assembly Bill No. 2129 (1R), with committee amendments.

Assembly Bill No. 2129 (1R), as amended, provides that the eligibility of a surviving spouse to receive an accidental death benefit under the Police and Firemen's Retirement System (PFRS) or the State Police Retirement System (SPRS) shall not terminate upon remarriage.

Under the PFRS, when a member of the system dies in active service as a result of an accident met in the actual performance of duty, the surviving spouse is eligible to receive a survivorship benefit consisting of (i) a pension equal to 70% of the compensation upon which contributions by the member were based in the last year of creditable service, and (ii) State-paid coverage under the member's employer-sponsored health insurance plan. Under the SPRS, the corresponding accidental death benefit to the surviving spouse is a pension of 70% of the average compensation received by the member in the last 12 months of creditable service prior to death, plus the health benefit coverage. (In the absence of a surviving spouse, other benefits may be payable to the decedent's children or parents; in addition, a lump sum benefit is payable to whatever beneficiary the member has designated in writing.)

Currently, under both systems, the surviving spouse ceases to be eligible for the accidental death benefit if he or she remarries. This bill would allow these surviving spouses to remarry without losing the benefit.

As amended and reported, this bill is identical to S-1434 (2R) as also reported by the committee.

FISCAL IMPACT

The Division of Pensions and Benefits in the Department of the Treasury estimated the prospective increase in pension liabilities attributable to the enactment of this bill as referred to the committee at \$25.1 million. This unfunded liability includes cost increases of \$3.1 million to the PFRS - State, \$16.7 million to the PFRS - Local,

and \$5.3 million to SPRS. (These unfunded accrued liabilities would be paid over a period of 30 years, starting in FY2004.) The Office of Legislative Services estimates that the removal of retrospective applicability of the legislation may reduce the cost of the bill by roughly 50%.

COMMITTEE AMENDMENTS

Committee amendments to the bill (1) delete provisions extending its coverage to those PFRS and SPRS surviving spouses who lost the accidental death benefit because of remarriage prior to the enactment of the legislation, and (2) clarify that, for the remaining spouses, both the pension and paid health insurance are to continue upon remarriage.