

CHAPTER 364 LAW OF N. J. 1968

APPROVED 12/26/68

[OFFICIAL COPY REPRINT]

SENATE, No. 392

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 5, 1968

By Senators GIULIANO, MATTURRI, WALDOR, MARAZITI,
LACORTE, DUMONT, DELTUFO and WALLWORK

Referred to Committee on Education

AN ACT concerning the ***[Teachers' Pension and Annuity Fund-Social Security Integration Law]*** **Pension Fund of School District Employees in First-Class Counties** and amending sections 18A:66-100, 18A:66-103, 18A:66-106, 18A:66-117 and 18A:66-124 and supplementing article ***[1]*** *2* of chapter 66 Title 18A of the New Jersey Statutes.

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

1 1. Section 18A:66-100 of the New Jersey Statutes is amended
2 to read as follows:

3 18A:66-100. The board of trustees shall make **[a semiannual]**
4 *an annual* report of the condition of the fund and the manner in
5 which it is invested, to the boards of education of school districts
6 of the county wherein it is organized, in the **[months]** *month of*
7 **[January and July]** *March* of each year, *for the prior fiscal year*
8 *ending December 31* and at such other times as such boards of edu-
9 cation may request.

1 2. Section 18A:66-103 of the New Jersey Statutes is amended
2 to read as follows:

3 a. Each public employee veteran member of a pension fund in
4 existence and established on June 26, 1962 under article 16 of
5 chapter 5 of Title 18 of the Revised Statutes shall have returned
6 ~~to him~~ the contributions made by him as of July 1, 1962 with simple
7 interest at 2% per annum to such date. All service rendered in
8 office, position or employment of this State or of a county, mu-
9 nicipality, school district or board of education or service rendered
10 for the State University of New Jersey, an instrumentality of this
11 State, after April 16, 1945, and the New Jersey State Agricultural

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

12 Experiment Station established by an act approved March 10, 1880
13 (P. L. 1880, c. 106 and continued pursuant to chapter 16 of Title 4
14 of the Revised Statutes), an instrumentality of this State, excluding
15 service rendered as county extension service farm and home
16 demonstration agents, by such veteran member previous to June
17 26, 1962, *and excluding credits for prior service of such veteran*
18 *covering employment which is vested in another governmental body*
19 *or pension fund*, for which evidence satisfactory to the board of
20 trustees was presented prior to June 27, 1963, shall be credited to
21 him as a member and such credit shall be known as prior service
22 credit and the obligation of the board of education employing such
23 veteran member on account of such credit shall be known as the
24 accrued liability on behalf of such veteran member, and the board
25 of education which employed such veteran member as of June 26,
26 1962 shall liquidate said accrued liability by annual payments for
27 a period of 30 years commencing July 1, 1963, the amount of these
28 payments to be computed by the actuary and certified by the board
29 of trustees.

30 b. In the event that a public employee veteran who prior to June
31 26, 1962 rendered service in office, position or employment of this
32 State, including such service rendered for any instrumentality
33 enumerated in subsection a. of this section, or of a county, mu-
34 nicipality, or school district or board of education, shall be a
35 member of the pension fund on or after said date, such public
36 employee veteran shall receive prior service credit for such service
37 for which evidence satisfactory to the board of trustees is presented
38 in the same manner as received by other public employee veteran
39 members. The employer of such public employee veteran on the
40 date of his becoming a member shall liquidate the accrued liability
41 for such prior service by annual payments over the remainder of
42 the 30-year period specified in subsection a. of this section, the
43 amount of these payments to be computed by the actuary and
44 certified by the board of trustees.

1 3. Section 18A:66-106 of the New Jersey Statutes is amended
2 to read as follows:

3 18A:66-106. Persons heretofore permanently or provisionally
4 employed by such boards of education who became members of the
5 pension fund at any time prior to June 26, 1962, shall be permitted
6 to purchase credit covering any period of temporary, permanent
7 or provisional service preceding said permanent or provisional em-
8 ployment, by making application therefor, and in such case, the
9 payments to be made by the employee and board of education for
10 such previous service shall be based on appropriate tables of factors

11 submitted by the actuary as being applicable to the salary and
12 contribution rate in effect at the time of making the application to
13 purchase such credit. Persons becoming members thereafter shall
14 be permitted to purchase credit for any temporary service which
15 immediately precedes their permanent or provisional appointment
16 by making application therefor at the time of becoming members
17 and paying into the fund, the amount determined to be due for
18 such service on the basis of appropriate tables of factors submitted
19 by the actuary as being applicable to the salary and contribution
20 rate in effect based on the salary at that time.

21 Any person coming into the employ of any such board of educa-
22 tion as a provisional employee after June 26, 1962, shall become
23 a member of the pension fund as a condition of employment.

24 *A member shall have the right to purchase credit for any period*
25 *of service in other municipalities or governmental units in this*
26 *State or in any other State of the United States of America,*
27 *rendered by the member prior to becoming a member up to the*
28 *nearest number of years and months but not exceeding 10 years,*
29 *by making application therefor at the time of becoming a member*
30 *or for present members within 2 years of the effective date of this*
31 *1968 amendatory act and in such case the payments to be made by*
32 *the employee and the employing board of education for such serv-*
33 *ice credits shall be on the basis of appropriate tables of factors*
34 *submitted by the actuary as being applicable to the salary and con-*
35 *tribution rate in effect based on the salary at the time of making*
36 *application.*

1 4. Section 18A:66-117 of the New Jersey Statutes is amended
2 to read as follows:

3 a. The board of trustees may establish a plan of contributory
4 death benefit coverage under which a death benefit, shall, upon
5 receipt of proper proofs of death in service of a member covered
6 therefor, be paid to such person, if living, as the member shall
7 have nominated by written designation duly executed and filed
8 with the board of trustees, otherwise to the executor or adminis-
9 trator of the member's estate. The amounts of death benefits
10 under such plan of contributory death benefit coverage shall be
11 determined by the board of trustees, provided that the amount
12 of the death benefit for any member shall not exceed $1\frac{1}{2}$ times
13 the compensation received by the member in the last year of credit-
14 able service, and provided further that for the death in service of
15 a member occurring after he has attained age 70, the amount of
16 death benefit under such plan shall not exceed $\frac{3}{16}$ of the compensa-
17 tion received by the member in the last year of creditable service.

18 Such a plan of contributory death benefit coverage shall be subject
19 to adjustment from time to time by the board of trustees.

20 b. The board of trustees shall establish all rules governing the
21 contributory death benefit coverage, subject to the provisions of
22 this section. There is hereby established the members' death benefit
23 fund in which fund shall be accumulated the contributions made
24 under this section. Upon the death of a member electing the con-
25 tributory death benefit, the contributory death benefit payable shall
26 be paid from the members' death benefit fund.

27 c. The board of trustees shall establish schedules of contributions
28 to be made by or on behalf of the members covered under the plan
29 of contributory death benefit coverage. Such contributions shall
30 be so computed that the contributions made by or on behalf of all
31 covered members in the aggregate shall be sufficient to provide
32 for the cost of the benefits established by subsection a. of this
33 section. Such schedules of contributions shall be subject to adjust-
34 ment from time to time, by the board of trustees, as the need
35 may appear.

36 d. Each member will be eligible for such contributory death
37 benefit coverage in accordance with and subject to the further
38 provisions of this section. Each person who was a member on June
39 26, 1962 and who elected, not later than June 26, 1963 to purchase
40 such contributory death benefit coverage became covered therefor
41 on the first day on or after such election, on which he was actively
42 at work and performing all his regular duties at his customary
43 place of employment. Each person who became or becomes a mem-
44 ber after June 26, 1962, shall automatically be covered for such
45 contributory death benefit coverage from the first day of his mem-
46 bership on which he is actively at work and performing all his
47 regular duties at his customary place of employment. Such auto-
48 matic coverage shall continue during the member's first year of
49 membership and during such year contributions as fixed by the
50 board of trustees shall be made by or on behalf of the member.
51 After such first year of membership such member shall continue
52 to be covered for contributory death benefit coverage, subject to
53 the continuance of the required contributions and subject to the
54 provisions of such plan and the provisions of this section.

55 e. The contributions of a member for the contributory death
56 benefit coverage shall be deducted from his compensation, but if
57 there is no compensation from which such contributions may be
58 deducted it shall be the obligation of the member to make such
59 contributions directly to the members' death benefit fund or as
60 directed by the board; provided, however, that no contribution

61 shall be required while a member remains in service after attain-
62 ing age 70 but the board of education employing such person shall
63 be required to pay into the members' death benefit fund or as
64 directed by the board of trustees on such person's behalf an amount
65 equal to the contribution otherwise required by the board of
66 trustees in accordance with this section.

67 f. Any other provision of this article notwithstanding, the con-
68 tributions of a member, or the contributions made on behalf of a
69 member by the board of education employing such member for the
70 contributory death benefit coverage under this section shall not
71 be returnable to the member, his or her beneficiary, or the board
72 of education employing such member in any manner, or for any
73 reason whatsoever, nor shall any contributions made for the con-
74 tributory death benefit coverage be included in any pension pay-
75 able to such member or to his or her beneficiary.

76 g. A member who is covered by the contributory death benefit
77 coverage provided by this section may file with the board of
78 trustees, and alter from time to time during his lifetime, as desired,
79 a duly attested, written, new nomination of the payee of the death
80 benefit provided under this section. Such member may also file
81 and alter from time to time during his lifetime, as desired, a request
82 with the board of trustees directing payment of said benefit in one
83 sum or in equal annual installments over a period of years or as
84 a life annuity. Upon the death of such member, a payee to whom a
85 benefit is payable in one sum may elect to receive the amount
86 payable in equal installments over a period of years or as a life
87 annuity.

88 h. All other provisions of this section notwithstanding, the bene-
89 fits to be provided pursuant to this section shall come into effect
90 only as determined by the board of trustees. Applications for such
91 additional death benefit coverage shall be submitted to the board
92 of trustees in such a manner and upon such forms as the board of
93 trustees shall provide.

94 *i. The board of trustees may also provide, effective upon the*
95 *adoption of this 1968 amendatory act, for additional death benefit*
96 *coverage, as described in subsection j of this section, for former*
97 *members who are receiving retirement allowances pursuant to the*
98 *provisions of this article subject to the provisions hereinafter*
99 *stated, and the board may terminate such coverage at any time.*
100 *The additional death benefit coverage to be so provided shall be*
101 *in accordance with rules as determined by the board from time to*
102 *time on the basis of dates of retirement or other factors deemed*
103 *appropriate by it. In no event shall the additional death benefit*

104 coverage described in subsection j of this section apply to any
 105 former member receiving a retirement allowance unless such mem-
 106 ber was covered by the additional death benefits described in sub-
 107 section a of this section during the member's last month of credit-
 108 able service, nor shall such coverage apply prior to a member's
 109 attainment of age 60. No contributions toward the cost of addi-
 110 tional death benefit coverage described in subsection j of this
 111 section shall be required of a former member while he is receiving
 112 a retirement allowance pursuant to the provisions of this article.
 113 j. Upon receipt of proper proofs of the death of a former member
 114 who was covered for the additional death benefit coverage pur-
 115 suant to subsection i of this section, there shall be paid to such
 116 person, if living, as the member shall have nominated by written
 117 designation duly executed and filed with the board of trustees,
 118 otherwise to the executor or administrator of the member's estate,
 119 an amount equal to $\frac{3}{16}$ of the compensation received by the mem-
 120 ber in the last year of creditable service.

1 5. Section 18A:66-124 of the New Jersey Statutes is amended
 2 to read as follows:

3 18A:66-124. a. For the purpose of section 18A:66-117 and sub-
 4 section c. of section 18A:66-108, a member shall be deemed to be
 5 in service for a period of no more than 2 years while on official
 6 leave of absence without pay; provided that satisfactory evidence
 7 is presented to the board of trustees that such leave of absence
 8 without pay is due to illness.

9 b. For the purpose of section 18A:66-117 and subsection c. of
 10 section 18A:66-108, a member shall be deemed to be in service for
 11 a period of no more than 93 days while on official leave of absence
 12 without pay when such leave of absence is due to any reason other
 13 than illness~~], including]~~ or military leave of absence.

14 c. In order for a member to be covered for the contributory death
 15 benefits provided under section 18A:66-117, he shall continue to
 16 make contributions for same during the period such member is
 17 on official leave of absence without pay up to 93 days, except that
 18 when such official leave of absence without pay is due to illness,
 19 no contributions shall be required of the member during the period
 20 he is deemed to be in service while on such leave of absence.

1 6. The pension being received by any retired member who retired
 2 in the year 1954 or prior thereto, shall be increased in accordance
 3 with the following formula:

4 a. The first \$900.00 of pension shall be increased in accordance
 5 with the "ratio of increase" formula in this act if the retired mem-
 6 ber shall have established 25 years of service credit prior to re-

7 tirement, or shall have been retired for service-connected disability.

8 b. If the retirant shall have established less than 25 years of
9 service credit prior to retirement and shall not have been retired
10 for service-connected disability, the first \$900.00 of the retirement
11 allowance, or the full retirement allowance if such allowance is less
12 than \$900.00, shall be increased in accordance with the "ratio of
13 increase" formula, except that this increase shall be in the same
14 proportion to the increase provided under the "ratio of increase"
15 formula as the number of years of service credit is to 25.

16 Nothing in this act shall be construed as providing for an in-
17 crease in the pension or other benefits payable to the beneficiaries
18 of any retired member.

19 The "ratio of increase" which shall apply to the pension being
20 received by a retired member shall be calculated in accordance
21 with the following percentages as determined by the calendar year
22 in which the retirement became effective:

	Year of Retirement	Ratio of Increase
23	1932	79%
24	1933	89%
25	1934	99%
26	1935	107%
27	1936	111%
28	1937	109%
29	1938	106%
30	1939	104%
31	1940	103%
32	1941	101%
33	1942	96%
34	1943	87%
35	1944	79%
36	1945	70%
37	1946	61%
38	1947	51%
39	1948	41%
40	1949	33%
41	1950	26%
42	1951	19%
43	1952	15%
44	1953	12%
45	1954	10%

46 The board of trustees shall certify annually to the contributing
47 employers the amount necessary to provide for the cost of the
48 increases in pensions provided by this act.

49 The increase in pensions provided for under this act shall com-
50 mence with the pension payments due after the first of the month
51 following the effective date of this act, provided that there is
52 appropriated the amount certified by the board of trustees to the
53 employing boards of education.

54 The increase in pension shall continue to be paid as long as there
55 shall be appropriated the amounts so certified. In the event that
56 the necessary funds are not so appropriated, the increase in pension
57 shall cease.

58 Each employing board of education shall appropriate the
59 amounts as certified by the board of trustees as long as the State
60 has appropriated funds for a similar purpose payable to pensioners
61 of State administered retirement systems.

62 Any retired member who is eligible to receive the increased
63 pension under the provisions of this act may, at any time, waive
64 his or her right thereto by filing a written notice of waiver with the
65 board of trustees. Such waiver may be withdrawn at any time and
66 upon such withdrawal the increase in the pension shall commence
67 with the pension payment for the next following month.

1 7. This act shall take effect immediately.

SENATE, No. 392

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 5, 1968

By Senators GIULIANO, MATTURRI, WALDOR, MARAZITI,
LACORTE, DUMONT, DELTUFO and WALLWORK

Referred to Committee on Education

AN ACT concerning the Teachers' Pension and Annuity Fund-Social Security Integration Law and amending sections 18A:66-100, 18A:66-103, 18A:66-106, 18A:66-117 and 18A:66-124 and supplementing article 1 of chapter 66 of Title 18A of the New Jersey Statutes.

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

1 1. Section 18A:66-100 of the New Jersey Statutes is amended
2 to read as follows:

3 18A:66-100. The board of trustees shall make **[a semiannual]**
4 *an annual* report of the condition of the fund and the manner in
5 which it is invested, to the boards of education of school districts
6 of the county wherein it is organized, in the **[months]** *month of*
7 **[January and July]** *March* of each year, *for the prior fiscal year*
8 *ending December 31* and at such other times as such boards of edu-
9 cation may request.

1 2. Section 18A:66-103 of the New Jersey Statutes is amended
2 to read as follows:

3 a. Each public employee veteran member of a pension fund in
4 existence and established on June 26, 1962 under article 16 of
5 chapter 5 of Title 18 of the Revised Statutes shall have returned
6 to him the contributions made by him as of July 1, 1962 with simple
7 interest at 2% per annum to such date. All service rendered in
8 office, position or employment of this State or of a county, mu-
9 nicipality, school district or board of education or service rendered
10 for the State University of New Jersey, an instrumentality of this
11 State, after April 16, 1945, and the New Jersey State Agricultural
12 Experiment Station established by an act approved March 10, 1880
13 (P. L. 1880, c. 106 and continued pursuant to chapter 16 of Title 4

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

14 of the Revised Statutes), an instrumentality of this State, excluding
15 service rendered as county extension service farm and home
16 demonstration agents, by such veteran member previous to June
17 26, 1962, *and excluding credits for prior service of such veteran*
18 *covering employment which is vested in another governmental body*
19 *or pension fund*, for which evidence satisfactory to the board of
20 trustees was presented prior to June 27, 1963, shall be credited to
21 him as a member and such credit shall be known as prior service
22 credit and the obligation of the board of education employing such
23 veteran member on account of such credit shall be known as the
24 accrued liability on behalf of such veteran member, and the board
25 of education which employed such veteran member as of June 26,
26 1962 shall liquidate said accrued liability by annual payments for
27 a period of 30 years commencing July 1, 1963, the amount of these
28 payments to be computed by the actuary and certified by the board
29 of trustees.

30 b. In the event that a public employee veteran who prior to June
31 26, 1962 rendered service in office, position or employment of this
32 State, including such service rendered for any instrumentality
33 enumerated in subsection a. of this section, or of a county, mu-
34 nicipality, or school district or board of education, shall be a
35 member of the pension fund on or after said date, such public
36 employee veteran shall receive prior service credit for such service
37 for which evidence satisfactory to the board of trustees is presented
38 in the same manner as received by other public employee veteran
39 members. The employer of such public employee veteran on the
40 date of his becoming a member shall liquidate the accrued liability
41 for such prior service by annual payments over the remainder of
42 the 30-year period specified in subsection a. of this section, the
43 amount of these payments to be computed by the actuary and
44 certified by the board of trustees.

1 3. Section 18A:66-106 of the New Jersey Statutes is amended
2 to read as follows:

3 18A:66-106. Persons heretofore permanently or provisionally
4 employed by such boards of education who became members of the
5 pension fund at any time prior to June 26, 1962, shall be permitted
6 to purchase credit covering any period of temporary, permanent
7 or provisional service preceding said permanent or provisional em-
8 ployment, by making application therefor, and in such case, the
9 payments to be made by the employee and board of education for
10 such previous service shall be based on appropriate tables of factors
11 submitted by the actuary as being applicable to the salary and
12 contribution rate in effect at the time of making the application to

13 purchase such credit. Persons becoming members thereafter shall
14 be permitted to purchase credit for any temporary service which
15 immediately precedes their permanent or provisional appointment
16 by making application therefor at the time of becoming members
17 and paying into the fund, the amount determined to be due for
18 such service on the basis of appropriate tables of factors submitted
19 by the actuary as being applicable to the salary and contribution
20 rate in effect based on the salary at that time.

21 Any person coming into the employ of any such board of educa-
22 tion as a provisional employee after June 26, 1962, shall become
23 a member of the pension fund as a condition of employment.

24 *A member shall have the right to purchase credit for any period*
25 *of service in other municipalities or governmental units in this*
26 *State or in any other State of the United States of America,*
27 *rendered by the member prior to becoming a member up to the*
28 *nearest number of years and months but not exceeding 10 years,*
29 *by making application therefor at the time of becoming a member*
30 *or for present members within 2 years of the effective date of this*
31 *1968 amendatory act and in such case the payments to be made by*
32 *the employee and the employing board of education for such serv-*
33 *ice credits shall be on the basis of appropriate tables of factors*
34 *submitted by the actuary as being applicable to the salary and con-*
35 *tribution rate in effect based on the salary at the time of making*
36 *application.*

1 4. Section 18A:66-117 of the New Jersey Statutes is amended
2 to read as follows:

3 a. The board of trustees may establish a plan of contributory
4 death benefit coverage under which a death benefit, shall, upon
5 receipt of proper proofs of death in service of a member covered
6 therefor, be paid to such person, if living, as the member shall
7 have nominated by written designation duly executed and filed
8 with the board of trustees, otherwise to the executor or adminis-
9 trator of the member's estate. The amounts of death benefits
10 under such plan of contributory death benefit coverage shall be
11 determined by the board of trustees, provided that the amount
12 of the death benefit for any member shall not exceed $1\frac{1}{2}$ times
13 the compensation received by the member in the last year of credit-
14 able service, and provided further that for the death in service of
15 a member occurring after he has attained age 70, the amount of
16 death benefit under such plan shall not exceed $\frac{3}{16}$ of the compensa-
17 tion received by the member in the last year of creditable service.
18 Such a plan of contributory death benefit coverage shall be subject
19 to adjustment from time to time by the board of trustees.

20 b. The board of trustees shall establish all rules governing the
21 contributory death benefit coverage, subject to the provisions of
22 this section. There is hereby established the members' death benefit
23 fund in which fund shall be accumulated the contributions made
24 under this section. Upon the death of a member electing the con-
25 tributory death benefit, the contributory death benefit payable shall
26 be paid from the members' death benefit fund.

27 c. The board of trustees shall establish schedules of contributions
28 to be made by or on behalf of the members covered under the plan
29 of contributory death benefit coverage. Such contributions shall
30 be so computed that the contributions made by or on behalf of all
31 covered members in the aggregate shall be sufficient to provide
32 for the cost of the benefits established by subsection a. of this
33 section. Such schedules of contributions shall be subject to adjust-
34 ment from time to time, by the board of trustees, as the need
35 may appear.

36 d. Each member will be eligible for such contributory death
37 benefit coverage in accordance with and subject to the further
38 provisions of this section. Each person who was a member on June
39 26, 1962 and who elected, not later than June 26, 1963 to purchase
40 such contributory death benefit coverage became covered therefor
41 on the first day on or after such election, on which he was actively
42 at work and performing all his regular duties at his customary
43 place of employment. Each person who became or becomes a mem-
44 ber after June 26, 1962, shall automatically be covered for such
45 contributory death benefit coverage from the first day of his mem-
46 bership on which he is actively at work and performing all his
47 regular duties at his customary place of employment. Such auto-
48 matic coverage shall continue during the member's first year of
49 membership and during such year contributions as fixed by the
50 board of trustees shall be made by or on behalf of the member.
51 After such first year of membership such member shall continue
52 to be covered for contributory death benefit coverage, subject to
53 the continuance of the required contributions and subject to the
54 provisions of such plan and the provisions of this section.

55 e. The contributions of a member for the contributory death
56 benefit coverage shall be deducted from his compensation, but if
57 there is no compensation from which such contributions may be
58 deducted it shall be the obligation of the member to make such
59 contributions directly to the members' death benefit fund or as
60 directed by the board; provided, however, that no contribution
61 shall be required while a member remains in service after attain-
62 ing age 70 but the board of education employing such person shall

63 be required to pay into the members' death benefit fund or as
64 directed by the board of trustees on such person's behalf an amount
65 equal to the contribution otherwise required by the board of
66 trustees in accordance with this section.

67 f. Any other provision of this article notwithstanding, the con-
68 tributions of a member, or the contributions made on behalf of a
69 member by the board of education employing such member for the
70 contributory death benefit coverage under this section shall not
71 be returnable to the member, his or her beneficiary, or the board
72 of education employing such member in any manner, or for any
73 reason whatsoever, nor shall any contributions made for the con-
74 tributory death benefit coverage be included in any pension pay-
75 able to such member or to his or her beneficiary.

76 g. A member who is covered by the contributory death benefit
77 coverage provided by this section may file with the board of
78 trustees, and alter from time to time during his lifetime, as desired,
79 a duly attested, written, new nomination of the payee of the death
80 benefit provided under this section. Such member may also file
81 and alter from time to time during his lifetime, as desired, a request
82 with the board of trustees directing payment of said benefit in one
83 sum or in equal annual installments over a period of years or as
84 a life annuity. Upon the death of such member, a payee to whom a
85 benefit is payable in one sum may elect to receive the amount
86 payable in equal installments over a period of years or as a life
87 annuity.

88 h. All other provisions of this section notwithstanding, the bene-
89 fits to be provided pursuant to this section shall come into effect
90 only as determined by the board of trustees. Applications for such
91 additional death benefit coverage shall be submitted to the board
92 of trustees in such a manner and upon such forms as the board of
93 trustees shall provide.

94 *i. The board of trustees may also provide, effective upon the*
95 *adoption of this 1968 amendatory act, for additional death benefit*
96 *coverage, as described in subsection j of this section, for former*
97 *members who are receiving retirement allowances pursuant to the*
98 *provisions of this article subject to the provisions hereinafter*
99 *stated, and the board may terminate such coverage at any time.*
100 *The additional death benefit coverage to be so provided shall be*
101 *in accordance with rules as determined by the board from time to*
102 *time on the basis of dates of retirement or other factors deemed*
103 *appropriate by it. In no event shall the additional death benefit*
104 *coverage described in subsection j of this section apply to any*
105 *former member receiving a retirement allowance unless such mem-*

106 *ber was covered by the additional death benefits described in sub-*
 107 *section a of this section during the member's last month of credit-*
 108 *able service, nor shall such coverage apply prior to a member's*
 109 *attainment of age 60. No contributions toward the cost of addi-*
 110 *tional death benefit coverage described in subsection j of this*
 111 *section shall be required of a former member while he is receiving*
 112 *a retirement allowance pursuant to the provisions of this article.*
 113 *j. Upon receipt of proper proofs of the death of a former member*
 114 *who was covered for the additional death benefit coverage pur-*
 115 *suant to subsection i of this section, there shall be paid to such*
 116 *person, if living, as the member shall have nominated by written*
 117 *designation duly executed and filed with the board of trustees,*
 118 *otherwise to the executor or administrator of the member's estate,*
 119 *an amount equal to 3/16 of the compensation received by the mem-*
 120 *ber in the last year of creditable service.*

1 5. Section 18A:66-124 of the New Jersey Statutes is amended
 2 to read as follows:

3 18A:66-124. a. For the purpose of section 18A:66-117 and sub-
 4 section c. of section 18A:66-108, a member shall be deemed to be
 5 in service for a period of no more than 2 years while on official
 6 leave of absence without pay; provided that satisfactory evidence
 7 is presented to the board of trustees that such leave of absence
 8 without pay is due to illness.

9 b. For the purpose of section 18A:66-117 and subsection c. of
 10 section 18A:66-108, a member shall be deemed to be in service for
 11 a period of no more than 93 days while on official leave of absence
 12 without pay when such leave of absence is due to any reason other
 13 than illness[, including] or military leave of absence.

14 c. In order for a member to be covered for the contributory death
 15 benefits provided under section 18A:66-117, he shall continue to
 16 make contributions for same during the period such member is
 17 on official leave of absence without pay up to 93 days, except that
 18 when such official leave of absence without pay is due to illness,
 19 no contributions shall be required of the member during the period
 20 he is deemed to be in service while on such leave of absence.

1 6. The pension being received by any retired member who retired
 2 in the year 1954 or prior thereto, shall be increased in accordance
 3 with the following formula:

4 a. The first \$900.00 of pension shall be increased in accordance
 5 with the "ratio of increase" formula in this act if the retired mem-
 6 ber shall have established 25 years of service credit prior to re-
 7 tirement, or shall have been retired for service-connected disability.

8 b. If the retirant shall have established less than 25 years of

9 service credit prior to retirement and shall not have been retired
 10 for service-connected disability, the first \$900.00 of the retirement
 11 allowance, or the full retirement allowance if such allowance is less
 12 than \$900.00, shall be increased in accordance with the "ratio of
 13 increase" formula, except that this increase shall be in the same
 14 proportion to the increase provided under the "ratio of increase"
 15 formula as the number of years of service credit is to 25.

16 Nothing in this act shall be construed as providing for an in-
 17 crease in the pension or other benefits payable to the beneficiaries
 18 of any retired member.

19 The "ratio of increase" which shall apply to the pension being
 20 received by a retired member shall be calculated in accordance
 21 with the following percentages as determined by the calendar year
 22 in which the retirement became effective:

Year of Retirement	Ratio of Increase
23 1932	79%
24 1933	89%
25 1934	99%
26 1935	107%
27 1936	111%
28 1937	109%
29 1938	106%
30 1939	104%
31 1940	103%
32 1941	101%
33 1942	96%
34 1943	87%
35 1944	79%
36 1945	70%
37 1946	61%
38 1947	51%
39 1948	41%
40 1949	33%
41 1950	26%
42 1951	19%
43 1952	15%
44 1953	12%
45 1954	10%

46 The board of trustees shall certify annually to the contributing
 47 employers the amount necessary to provide for the cost of the
 48 increases in pensions provided by this act.

49 The increase in pensions provided for under this act shall com-
 50 mence with the pension payments due after the first of the month

51 following the effective date of this act, provided that there is
52 appropriated the amount certified by the board of trustees to the
53 employing boards of education.

54 The increase in pension shall continue to be paid as long as there
55 shall be appropriated the amounts so certified. In the event that
56 the necessary funds are not so appropriated, the increase in pension
57 shall cease.

58 Each employing board of education shall appropriate the
59 amounts as certified by the board of trustees as long as the State
60 has appropriated funds for a similar purpose payable to pensioners
61 of State administered retirement systems.

62 Any retired member who is eligible to receive the increased
63 pension under the provisions of this act may, at any time, waive
64 his or her right thereto by filing a written notice of waiver with the
65 board of trustees. Such waiver may be withdrawn at any time and
66 upon such withdrawal the increase in the pension shall commence
67 with the pension payment for the next following month.

1 7. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to change the requirements for reporting by the board of trustees to the member boards of education annually instead of semiannually; to prohibit duplication of service credit to war veterans which has been credited by some other agency; to grant the opportunity to purchase credit for in State and out of State service to a maximum of 10 years; to provide retired employees who had contributory life insurance coverage up to date of retirement a paid up insurance policy equal to 3/16 of their final salary in addition to the 3/16 granted under the non-contributory feature; to make consistent the definition of "in service" for the contributory and the noncontributory insurance benefits; and to provide pension increases for cost of living to members retired prior to 1955.

These changes are consistent with the provisions of other major State administered pension funds.

SENATE ~~COMMITTEE~~ AMENDMENTS TO

SENATE, No. 392

STATE OF NEW JERSEY

ADOPTED MAY 6, 1968

Amend page 1, title, lines 1 and 2, omit "Teachers' Pension and Annuity Fund-Social Security Integration Law", insert "Pension Fund of School District Employees in First-Class Counties",

Amend page 1, title, line 4, omit "1", insert "2".

FISCAL NOTE TO
SENATE, No. 392

STATE OF NEW JERSEY

DATED: APRIL 1, 1968

Enactment of Senate Bill No. 392 would not involve the expenditure of any State funds.

However, the Division of Pensions in the Department of the Treasury estimates that passage of this legislation would cost about \$25,000.00 per year. This cost would be borne by all the school districts in Essex county.

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