

18A:66-46

Nov. 30, 1972

LEGISLATIVE HISTORY OF R.S.18A:66-46
(TPAF - Accidental death benefits)

L.1955 - chap.37 - S293
No Statement.
No hearings or reports on this bill.

Amended by the following laws:

L.1966 - chap.218 - A801
May 16 - Introduced by Hauser and Farrington.
June 15 - Passed in Assembly.
June 18 - Passed in Senate.
Aug.1 - Approved, chap.218.
Not amended during passage.
Statement (copy enclosed).

L.1968 - chap.228 - S543
Introduced by Dumont, Hauser and Musto.
Not amended during passage.
Statement (copy enclosed).

L.1971 - chap.121 - S2186 §26
Apr.1 - Introduced by Guiliano and others.
Apr.5 - Passed in Senate.
Apr.26 - Passed in Assembly.
Apr.29 - Approved, chap.121, 1971.
Not amended during passage.
Statement (copy enclosed).
Governor's Statement on signing (copy enclosed).

No hearings or reports were located specifically relating to these bills.

JH/EH
Encl.

GC 1955 - S293 - Missing
1966 - A801 - Yes.

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SENATE, No. 543

STATE OF NEW JERSEY

INTRODUCED MARCH 14, 1968

By Senators DUMONT, HAUSER and MUSTO

Referred to Committee on Education

AN ACT concerning pensions, amending sections 18A:66-2, 18A:66-5, 18A:66-32, 18A:66-35, 18A:66-36, 18A:66-38, 18A:66-40, 18A:66-46, 18A:66-79, 18A:66-81 and 18A:66-90, 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:66-2 of the New Jersey Statutes is amended to
2 read as follows:

3 18A:66-2. As used in this article:

4 a. "Accumulated deductions" means the sum of all the amounts,
5 deducted from the compensation of a member or contributed by him
6 *or on his behalf*, including interest credited prior to January 1,
7 1956, standing to the credit of his individual account in the annuity
8 savings fund.

9 b. "Annuity" means payments for life derived from [contribu-
10 tions made by] *the accumulated deductions* of a member as pro-
11 vided in this article.

12 c. "Beneficiary" means any person receiving a retirement allow-
13 ance or other benefit as provided in this article.

14 d. "Compensation" means the contractual salary for services
15 as a teacher as defined in this article.

16 e. "Employer" means the State, the board of education or any
17 educational institution or agency of or within the State by which
18 a teacher is paid.

19 f. "Final compensation" means the average annual compensa-
20 tion for which contributions are made for the 5 years of creditable
21 service in New Jersey immediately preceding his retirement, or it
22 shall mean the average annual compensation for which contribu-
23 tions are made during any 5 fiscal years of his or her membership

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

24 providing the largest possible benefit to the member or his bene-
25 ficiary.

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

28 h. "Pension" means payments for life derived from appropria-
29 tions made by the State or employers to the Teachers' Pension and
30 Annuity Fund.

31 i. "Annuity reserve" means the present value of all payments
32 to be made on account of any annuity or benefit in lieu of an an-
33 nuity, granted under the provisions of this [act] article, computed
34 on the basis of such mortality tables *recommended by the actuary*
35 as the board of trustees adopts, with regular interest.

36 j. "Pension reserve" means the present value of all payments
37 to be made on account of any pension or benefit in lieu of a pension
38 granted to a member from the Teachers' Pension and Annuity
39 Fund computed on the basis of such mortality tables *recommended*
40 *by the actuary* as the board of trustees adopts, with regular
41 interest.

42 k. "Present-entrant" means any member of the Teachers' Pen-
43 sion and Annuity Fund who has established status as a "present-
44 entrant member" of said fund prior to January 1, 1956.

45 l. "Rate of contribution initially certified" means the rate of
46 contribution certified based upon the member's age when last he
47 became a member.

48 m. "Regular interest" shall mean interest as determined from
49 time to time by the board of trustees *with the advice of the actuary*.
50 The regular interest rate shall be limited to a minimum of 3%
51 per annum, and a maximum of 4% per annum.

52 n. "Retirement allowance" means the pension plus the annuity.

53 o. "School service" means any service as a "teacher" as de-
54 fined in this section.

55 p. "Teacher" means any regular teacher, special teacher, help-
56 ing teacher, teacher clerk, principal, vice-principal, supervisor,
57 supervising principal, director, superintendent, city superintend-
58 ent, assistant city superintendent, county superintendent, State
59 Commissioner or Assistant Commissioner of Education and other
60 members of the teaching or professional staff of any class, public
61 school, high school, normal school, model school, training school,
62 vocational school, truaut reformatory school, or parental school,
63 and of any and all classes or schools within the State conducted
64 under the order and superintendence, and wholly or partly at the
65 expense of the State Board of Education, of a duly elected or

66 appointed board of education, board of school directors, or board
 67 of trustees of the State or of any school district or normal school
 68 district thereof, and any such persons under contract or engage-
 69 ment to perform one or more of these functions. No person shall
 70 be deemed a teacher within the meaning of this article who is a
 71 substitute teacher or is a teacher not regularly engaged in perform-
 72 ing one or more of these functions as a full-time occupation out-
 73 side of vacation periods. In all cases of doubt the board of trustees
 74 shall determine whether any person is a teacher as defined in this
 75 article.

76 q. "Teachers' Pension and Annuity Fund" hereinafter referred
 77 to as the "retirement system," is the corporate name of the ar-
 78 rangement for the payment of retirement allowances and other
 79 benefits under the provisions of this article including the several
 80 funds placed under [the management of the board of trustees of]
 81 said system. By that time all its business shall be transacted, its
 82 funds invested, warrants for money drawn, and payments made
 83 and all of its cash and securities and other property held.

84 r. "Veteran" means any honorably discharged officer, soldier,
 85 sailor, airman, marine or nurse who served in any Army, Air
 86 Force or Navy of the Allies of the United States in World War I
 87 between July 14, 1914, and November 11, 1918, or who served in
 88 any Army, Air Force or Navy of the Allies of the United States
 89 in World War II, between September 1, 1939, and September 2,
 90 1945, and who was inducted into such service through voluntary
 91 enlistment, and was a citizen of the United States at the time of
 92 such enlistment, and who did not, during or by reason of such
 93 service, renounce or lose his United States citizenship, and any
 94 officer, soldier, sailor, marine, airman, nurse or army field clerk
 95 who has served in the active military or naval service of the United
 96 States and has or shall be discharged or released therefrom under
 97 conditions other than dishonorable, in any of the following wars,
 98 uprising, insurrections, expeditions or emergencies, and who has
 99 presented to the [board of trustees] *retirement system* evidence
 100 of such record of service in form and content satisfactory to said
 101 [board of trustees] *retirement system*:

102 (1) The Indian wars and uprisings during any of the periods
 103 recognized by the War Department of the United States as periods
 104 of active hostility;

105 (2) The Spanish-American War between April 20, 1898, and
 106 April 11, 1899;

107 (3) The Philippine insurrections and expeditions during the

108 periods recognized by the War Department of the United States as
109 of active hostility from February 4, 1899, to the end of 1913;

110 (4) The Peking relief expedition between June 20, 1900, and
111 May 27, 1902;

112 (5) The army of Cuban occupation between July 18, 1898, and
113 May 20, 1902;

114 (6) The army of Cuban pacification between October 6, 1906,
115 and April 1, 1909;

116 (7) The Mexican punitive expedition between March 14, 1916,
117 and February 7, 1917;

118 (8) The Mexican border patrol, having actually participated
119 in engagements against Mexicans between April 12, 1911, and June
120 16, 1919;

121 (9) World War I, between April 6, 1917, and November 11,
122 1918;

123 (10) World War II, between September 16, 1940, and September
124 2, 1945, who shall have served at least 90 days in such active service,
125 exclusive of any period he was assigned (1) for a course of educa-
126 tion or training under the Army specialized training program or
127 the Navy college training program which course was a continuation
128 of his civilian course and was pursued to completion, or (2) as
129 a cadet or midshipman at one of the service academies any part
130 of which 90 days was served between said dates; provided, that
131 any person receiving an actual service-incurred injury or disability
132 shall be classed as a veteran whether or not he has completed the
133 90-day service as herein provided;

134 (11) Korean conflict after June 23, 1950, and prior to July 27,
135 1953, who shall have served at least 90 days in such active service,
136 exclusive of any period he was assigned (1) for a course of educa-
137 tion or training under the Army specialized training program or
138 the Navy college training program which course was a continuation
139 of his civilian course and was pursued to completion, or (2) as a
140 cadet or midshipman at one of the service academies, any part of
141 which 90 days was served between said dates; provided, that any
142 person receiving an actual service-incurred injury or disability
143 shall be classed as a veteran whether or not he has completed the
144 90-day service as herein provided; and provided further, that
145 any member classed as a veteran pursuant to this subsection prior
146 to August 1, 1966, shall continue to be classed as a veteran whether
147 or not he completed the 90-day service between said dates as herein
148 provided;

149 (12) Viet Nam conflict after December 31, 1960, and prior to

150 the date of termination as proclaimed by the Governor, who (a)
 151 *received an actual service-incurred injury or disability or (b) shall*
 152 *have served at least 180 days in such active service on overseas*
 153 *duty, exclusive of any period he was assigned (1) for a course*
 154 *of education or training under the Army specialized training*
 155 *program or the Navy college training program which course was*
 156 *a continuation of his civilian course and was pursued to com-*
 157 *pletion, or (2) as a cadet or midshipman at one of the service*
 158 *academies, any part of which 180 days was served between said*
 159 *dates; and exclusive of any service performed pursuant to the*
 160 *provisions of section 511(d) of Title 10, United States Code, pur-*
 161 *suant to an enlistment in the Army National Guard or as a reserve*
 162 *for service in the Army Reserve, Naval Reserve, Air Force*
 163 *Reserve, Marine Corps Reserve, or Coast Guard Reserve.*

164 *s. "Child" means a deceased member's unmarried child either*
 165 *(a) under the age of 18 or (b) of any age who, at the time of the*
 166 *member's death, is disabled because of mental retardation or*
 167 *physical incapacity, is unable to do any substantial, gainful work*
 168 *because of the impairment and his impairment has lasted or can*
 169 *be expected to last for a continuous period of not less than 12*
 170 *months, as affirmed by the medical board.*

171 *t. "Dependent widower" means the man to whom a member was*
 172 *married at least 5 years before the date of her death and who was*
 173 *receiving at least 1/2 of his support from the member in the 12-*
 174 *month period immediately preceding the member's death. The*
 175 *dependency of such a widower will be considered terminated by*
 176 *marriage of the widower subsequent to the death of the member.*
 177 *In the event of the payment of an accidental death benefit, the 5-*
 178 *year qualification shall be waived.*

179 *u. "Widow" means the woman to whom a member was married*
 180 *at least 5 years before the date of his death and to whom he con-*
 181 *tinued to be married until the date of his death and who has not*
 182 *remarried subsequent to the member's death. In the event of the*
 183 *payment of an accidental death benefit, the 5-year qualification shall*
 184 *be waived.*

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

3 18A:66-5. The [board of trustees] *retirement system shall*
 4 *classify the members in such group or groups by age or sex as it*
 5 *may determine for actuarial purposes.*

6 The [board] *system shall further classify the membership by*
 7 *benefit rates as class A or class B members, as follows:*

8 "Class A" shall include those members [whose annuity shall be
9 based on] *who contribute to the annuity savings fund at a per*
10 *centum of salary, computed to be sufficient, with regular interest, to*
11 *procure for the member, on retirement for service, an annuity equal*
12 *to $\frac{1}{140}$ of his final compensation for each year of service as a*
13 *member.*

14 "Class B" shall include those members *who have elected or who*
15 *shall hereafter contribute to the annuity savings fund at a higher*
16 *rate per centum, computed to be sufficient, with regular interest, to*
17 *procure for the member, on retirement for service, an annuity equal*
18 *to $\frac{1}{120}$ of his final compensation for each year of service as a*
19 *member.*

20 Any member on December 31, 1955, may by his election contribute
21 to the retirement system at the rate of contribution applicable to
22 class B members of the public employees' retirement system as of
23 January 2, 1955, based upon the member's age when he last became
24 a member. He shall thereafter be classified as a class B member.
25 Any such member may elect to increase his accumulated deductions
26 by the amount deemed necessary by the board of trustees on the
27 advice of the actuary in order to receive credit as a class B member
28 for all or part of his service prior to the date of such election. The
29 board of trustees shall establish the necessary rules governing the
30 election by members of class B credit for all service.

31 Any member on December 31, 1955, who is not a veteran and who
32 does not elect to receive class B credit for all or any portion of his
33 service shall receive credit as a class A member for all service not
34 credited as class B service. Any such member who does not elect
35 class B membership shall contribute at the rate of contribution
36 initially certified to him upon his last becoming a member; pro-
37 vided, however, that any such person who became a member after
38 June 30, 1946, shall have his contributions on and after January 1,
39 1955, based on the rates of contribution applicable on June 30,
40 1946, for his age and sex at the time he last became a member.

1 3. Section 18A:66-32 of the New Jersey Statutes is amended to
2 read as follows:

3 18A:66-32. Upon the employment of a person to whom this
4 article may apply, his employer shall inform him of his duties and
5 obligations under this article as a condition of his employment; the
6 employer shall notify the retirement system of such appointment
7 within 10 days thereafter; it shall keep such records and from time
8 to time furnish such information as the retirement system may
9 require; deduct the proportion of salary and extra salary deduc-

10 tions as certified by the retirement system, transfer each of the
 11 amounts so deducted to the retirement system; and shall transmit
 12 to the retirement system monthly or at such intervals as the system
 13 designates a detailed statement of all amounts so paid. [Where
 14 there is a delay of more than 30 days in the transmittal of such
 15 amounts, there shall be an interest charge of 6% per annum.] *If*
 16 *payment in full, representing the monthly or biweekly transmittal*
 17 *and report of salary deductions, is not made within 15 days of the*
 18 *due date established by the retirement system, interest at the rate*
 19 *of 6% per annum shall commence to run against the total trans-*
 20 *mittal of salary deductions for the period on the first day after*
 21 *such fifteenth day. Any failure on the part of the employer to*
 22 *comply with the provisions of this section shall constitute a default,*
 23 *and the State Department of Education may withhold school*
 24 *moneys from the district until the default is made good.*

25 Where an employer fails to notify the retirement system of a
 26 teacher's employment and more than 1 year has elapsed from
 27 the compulsory enrollment date of such teacher, the employer shall
 28 be liable for the payment with interest of 6% per annum, to the
 29 contingent reserve fund which would otherwise have been required
 30 of, and timely paid, by the State.

1 4. Section 18A:66-35 of the New Jersey Statutes is amended to
 2 read as follows:

3 18A:66-35. [After January 1, 1959, any] *Any member who has*
 4 *at least 3 years of service to his credit for which he has contributed*
 5 *as a member may borrow from the retirement system, an amount*
 6 *equal to not more than 50% of the amount of his accumulated*
 7 *deductions, but not less than \$50.00; provided, that the amount so*
 8 *borrowed, together with interest thereon, can be repaid by addi-*
 9 *tional deductions from compensation, not in excess of 25% of the*
 10 *member's compensation, made at the same time compensation is*
 11 *paid to the member, but not after the attainment of age 60. The*
 12 *amount so borrowed, together with interest at the rate of 4% per*
 13 *annum on any unpaid balance thereof, shall be repaid to the retire-*
 14 *ment system in equal installments by deduction from the compensa-*
 15 *tion of the member at the time the compensation is paid [or in some*
 16 *other manner] but such installments shall be at least equal to the*
 17 *member's full rate of contribution to the retirement system and at*
 18 *least sufficient to repay the amount borrowed with interest thereon*
 19 *by the time the member attains age 60. Not more than 2 loans may*
 20 *be granted to any member in any calendar year. Notwithstanding*
 21 *any other law affecting the salary or compensation of any person*

22 or persons to whom this article applies or shall apply, the addi-
 23 tional deductions required to repay the loan shall be made. Any
 24 unpaid balance of a loan at the time any benefit may become pay-
 25 able shall be deducted from the benefit otherwise payable.

26 Loans may be made to a member from his accumulated deduc-
 27 tions. [In addition the board of trustees is hereby authorized to
 28 set aside moneys within the contingent reserve fund from which
 29 loans to members may be made. If such moneys are used for the
 30 purpose of making loans, the] *The* interest earned on such loans
 31 shall be treated in the same manner as interest earned from invest-
 32 ments of the retirement system.

1 5. Section 18A:66-36 of the New Jersey Statutes is amended to
 2 read as follows:

3 18A:66-36. Should a member *of the Teachers' Pension and*
 4 *Annuity Fund*, after having completed 15 years of service, be
 5 separated voluntarily or involuntarily from the service, before
 6 reaching service retirement age, and not by removal for conduct
 7 unbecoming a teacher or other just cause under the provisions of
 8 sections 18A:28-4 to 18A:28-5 and 18A:28-9 to 18A:28-13 inclu-
 9 sive, such person may elect to receive, in lieu of the payment pro-
 10 vided in section 18A:66-34:

11 a. The payments provided for in section 18A:66-37, if he so
 12 qualified under said section; or

13 b. A deferred retirement allowance, beginning at age 60, which
 14 shall be *made up of an annuity derived from the member's accumu-*
 15 *lated deductions at the time of his severance from the service, and*
 16 *a pension in the amount which, when added to the member's annuity,*
 17 *will provide a total retirement allowance of $\frac{1}{10}$ of his final compen-*
 18 *sation for each year of service credited as Class A service and $\frac{1}{60}$*
 19 *of his final compensation for each year of service credited as class*
 20 *B service, calculated in accordance with section 18A:66-44, with*
 21 *optional privileges provided for in section 18A:66-47 if he exercises*
 22 *such optional privilege at least 30 days before his attainment of the*
 23 *normal retirement age; provided, that such election is communi-*
 24 *cated by such member to the retirement system in writing stating*
 25 *at what time subsequent to the execution and filing thereof he*
 26 *desires to be retired; and provided, further, that such member may*
 27 *later elect: (1) to receive the payments provided for in section*
 28 *18A:66-37, if he had qualified under that section at the time of*
 29 *leaving service, except that in order to avail himself of the optional*
 30 *privileges pursuant to section 18A:66-47, he must exercise such*
 31 *optional privilege at least 30 days before the effective date of his*

32 retirement; or (2) to withdraw his accumulated deductions with
 33 interest as provided in section 18A:66-34. If such member shall die
 34 before attaining service retirement age, then his accumulated de-
 35 ductions, plus regular interest after January 1, 1956, shall be paid
 36 in accordance with section 18A:66-38, **[or]** *and, in addition* if such
 37 member shall die after attaining service retirement age and has not
 38 withdrawn his accumulated deductions, **[there shall be paid]** an
 39 amount equal to $\frac{3}{16}$ of the compensation **[received by the mem-**
 40 **ber]** *upon which contributions by the member to the annuity savings*
 41 *fund were based* in the last year of creditable service *shall be paid*
 42 to such **[person if living, as he shall have nominated by written**
 43 **designation duly executed and filed with the retirement system,**
 44 **otherwise to be executor or administrator of the]** member's
 45 **[estate]** beneficiary.

46 *Any member who, having elected to receive a deferred retirement*
 47 *allowance, again becomes an employee covered by the retirement*
 48 *system while under the age of 60, shall thereupon be reenrolled. If*
 49 *he had discontinued his service for more than 2 consecutive years,*
 50 *subsequent contributions shall be at a rate applicable to the age*
 51 *resulting from the subtraction of his years of creditable service at*
 52 *the time of his last discontinuance of contributing membership from*
 53 *his age at the time of his return to service. He shall be credited with*
 54 *all service as a member standing to his credit at the time of his*
 55 *election to receive a deferred retirement allowance.*

1 6. Section 18A:66-38 of the New Jersey Statutes is amended to
 2 read as follows:

3 18A:66-38. **[Except as provided in section 18A:66-69, upon]**
 4 *Upon* the receipt of proper proofs of the death of a member in
 5 service on account of which no accidental death benefit is payable
 6 under section 18A:66-46, there shall be paid to such member's
 7 beneficiary:

8 (a) The member's accumulated deductions at the time of death
 9 together with regular interest after January 1, 1956; and

10 (b) An amount equal to $1\frac{1}{2}$ times the compensation upon which
 11 contributions by the member to the annuity savings fund were
 12 based in the last year of creditable service; provided, however, that
 13 if such death shall occur after the member shall have attained age
 14 70, the amount payable shall equal $\frac{3}{16}$ of such compensation instead
 15 of $1\frac{1}{2}$ times such compensation.

16 For the purpose of this section, *section 18A:66-46e* and section
 17 18A:66-53, a member shall be deemed to be **[in service]** *an active*
 18 *member* for a period of no more than 2 years while on official leave

19 of absence without pay; provided, that satisfactory evidence is
20 presented to the retirement system that such leave of absence with-
21 out pay is due to illness. For the purposes of this section, *section*
22 *18A:66-46e* and *section 18A:66-53*, a member shall be deemed to be
23 **[in service]** *an active member* for a period of not more than 93
24 days while on official leave of absence without pay when such leave
25 of absence is due to any reason other than illness. In order for a
26 member to be covered for the optional death benefits provided by
27 *section 18A:66-53*, he shall continue to make contributions for same
28 during the period such member is on official leave of absence with-
29 out pay, except that when such official leave of absence without pay
30 is due to illness, no contributions shall be required of the member
31 during the period he is deemed to be **[in service]** *an active member*
32 while on such leave of absence.

33 *Except in the case of members who have elected to receive (1) a*
34 *deferred retirement allowance pursuant to section 18A:66-36, or (2)*
35 *an early retirement allowance pursuant to section 18A:66-37, after*
36 *separation from service pursuant to the aforesaid section*
37 *18A:66-36, if a member dies within 30 days after the date of retire-*
38 *ment or the date of board approval, whichever is later, a death*
39 *benefit shall be payable only if he is deemed to be an active member*
40 *in accordance with this section; provided, however, a member apply-*
41 *ing for disability benefits shall be deemed an active member if he*
42 *was covered by the death benefit provisions of the act at the ter-*
43 *mination of employment, filed the application for disability retire-*
44 *ment with the retirement system within 30 days following such*
45 *termination of employment and dies within 30 days after the date*
46 *of retirement or the date of board approval, whichever is later.*

1 7. Section 18A:66-40 of the New Jersey Statutes is amended to
2 read as follows:

3 18A:66-40. *a. Except for circumstances beyond his control, every*
4 *disability beneficiary, who is under the age of 60 years, will be re-*
5 *quired to report for rehabilitation at the nearest office of the New*
6 *Jersey Rehabilitation Commission within 90 days following the*
7 *effective date of his disability benefit. If the beneficiary fails to*
8 *report within the 90 days, or within such further time as may be*
9 *allowed by the board of trustees for valid reason, as the case may*
10 *be, the pension shall be discontinued during such default.*

11 *A report of the findings of the rehabilitation commission shall be*
12 *filed with the retirement system. If the report indicates that the*
13 *person could be rehabilitated to perform either his former duty or*
14 *other comparable duty, it shall be his responsibility to follow such*

15 course of rehabilitation until the rehabilitation commission finds
16 that he can be restored to active service. If the beneficiary refuses
17 the prescribed treatment of rehabilitation, such refusal shall be
18 stipulated in writing to the retirement system, citing the reasons
19 for his refusal. In the absence of valid reason or such stipulation,
20 as the case may be, the board of trustees shall find him in default
21 and his pension shall be discontinued during such default.

22 If a disability beneficiary has completed a course of rehabilitation
23 prescribed by the rehabilitation commission, he shall undergo a
24 medical examination by a physician or physicians designated by the
25 system. If the report of the medical board shall show that such
26 beneficiary is able to perform his former duty, the beneficiary shall
27 report for duty. If the beneficiary fails to return to duty within 10
28 days after being ordered so to do, or within such further time as
29 may be allowed by the board of trustees for valid reason, as the case
30 may be, the pension shall be discontinued during such default. If
31 the beneficiary reports for duty in a timely manner, his employer
32 shall be obligated to provide him with a position, in which he is to
33 perform his former duty, at that time or at the earliest possible time
34 in which his employer can provide such position or employment;
35 such a beneficiary shall not suffer any loss of benefits while he
36 awaits his restoration to active service. The head of any employing
37 agency who knowingly and willfully violates his obligation to restore
38 such disability beneficiary to active service shall be guilty of a mis-
39 demeanor as pursued by the office of the Attorney General before a
40 court of proper jurisdiction.

41 If a disability beneficiary has completed a course of rehabilita-
42 tion prescribed by the rehabilitation commission and the report of
43 the medical board shall show that such beneficiary is not able to per-
44 form his former duty but can perform other comparable duty which
45 his former employer is willing to assign to him, the beneficiary shall
46 report for duty. If the beneficiary fails to return to duty within 10
47 days after being ordered so to do, or within such further time as
48 may be allowed by the board of trustees for valid reason, as the case
49 may be, the pension shall be discontinued during such default. If
50 the beneficiary reports for duty in a timely manner, he may, in the
51 discretion of the head of the employing agency, be restored to active
52 service; such beneficiary shall not suffer any loss of benefits while
53 he awaits his restoration to active service.

54 If a disability beneficiary is not restored to active service, he shall
55 nevertheless be subject to the provisions of subsection b of this
56 section. If a disability beneficiary is restored to active service, he

57 *shall be subject to the provisions of subsection c of this section.*

58 **[a.]** *b. Once each year the [board of trustees may] retirement*
59 *system will, and upon his application shall, require any disability*
60 *beneficiary who is under the age of 60 years to undergo medical*
61 *examination by a physician or physicians designated by the*
62 **[board] system. [The examination shall be made by the bene-**
63 *ficiary's personal physician or a physician designated by the board*
64 *at the residence of the beneficiary or any other place mutually*
65 *agreed upon.] If the physician or physicians thereupon report and*
66 *certify to the [board] system that the disability beneficiary is not*
67 *totally incapacitated either physically or mentally for the per-*
68 *formance of duty, or if he is engaged in an occupation, then the*
69 *amount of his pension shall be reduced to an amount which, when*
70 *added to the amount then earned by him, shall not exceed the*
71 *amount of the salary now attributable to his former position. If his*
72 *earnings have changed since the date of his last [examination]*
73 *adjustment, then the amount of his pension may be further altered;*
74 *but the new pension shall not exceed the amount of pension origi-*
75 *nally granted.*

76 *If a disability beneficiary, while under the age of 60 years, re-*
77 *fuses to submit to at least one medical examination in any year by a*
78 *physician or physicians designated by the [board] system, his*
79 *pension shall be discontinued until withdrawal of his refusal. If*
80 *the report of the medical board shall show that such beneficiary is*
81 *able to perform either his former duty or other comparable duty*
82 *which his former employer is willing to assign to him, the bene-*
83 *ficiary shall report for duty[.]; such a beneficiary shall not suffer*
84 *any loss of benefits while he awaits his restoration to active service.*
85 *If the beneficiary fails to return to duty within 10 days after being*
86 *ordered so to do, or within such further time as may be allowed by*
87 *the board of trustees for valid reason, as the case may be, the*
88 *pension shall be discontinued during such default.*

89 *c. If a disability beneficiary becomes employed again in a position*
90 *which makes him eligible to be a member of the retirement system,*
91 *his pension, together with any optional selection pursuant to section*
92 *18A:66-47 and the right to any death benefit as a result of his*
93 *former membership, shall be suspended until he again retires.*

94 *Such person shall be re-enrolled in the retirement system and shall*
95 *contribute thereto at a rate based on his age at the time of his prior*
96 *enrollment. Such person shall be treated as an active member for*
97 *determining disability or death benefits while in service and no*
98 *benefits pursuant to an optional selection with respect to his former*

99 *membership shall be paid if his death shall occur during the period*
100 *of such re-enrollment.*

101 **【b.】 d.** **【**Before June 9, 1971, upon application to the employer by
102 whom he was employed at the time of his retirement, any bene-
103 ficiary, while under the age of 60 years, may, in the discretion of the
104 employer, be restored to active service. No disability beneficiary
105 restored to service shall be compelled or permitted to become a
106 member, or to receive any benefits other than those previously
107 awarded to him, as long as his annual rate of compensation is less
108 than his final compensation at the time of his retirement. Any
109 beneficiary under the age of 60 years, who is restored to active
110 service at an annual rate of compensation equal to or greater than
111 his final compensation at the time of his retirement, or whose annual
112 rate of compensation is increased at any time after his restoration
113 to service, to a rate equal to or greater than his final compensation
114 at the time of his retirement, shall thereupon again become a
115 member of the retirement system. His retirement allowance shall
116 be canceled, and deductions shall be made from his compensation
117 at the rate applicable to him prior to his retirement. Any service
118 certificate on the basis of which his service was computed at the
119 time of his retirement shall be restored to full force and effect, and
120 he shall be credited with all service as a member standing to his
121 credit at the time of his retirement; except that such a beneficiary
122 again becoming a member after having attained the age of 50 years
123 shall receive a retirement allowance on **】** *Upon subsequent retire-*
124 *ment of such member, he shall receive a retirement allowance based*
125 *on all his service as a member since his last return to membership,*
126 *and in addition he shall receive a retirement allowance equal to the*
127 *retirement allowance on which he was retired at the time of his last*
128 *retirement, but the total retirement allowance upon subsequent*
129 *retirement shall not be a greater proportion of his final compensa-*
130 *tion than the proportion to which he would have been entitled had*
131 *he remained in service during the period of his prior retirement.*
132 *Any death benefit to which such member shall be eligible shall be*
133 *based on his latest retirement.*

134 **【c.】 e.** On and after June 9, 1971, upon application to the em-
135 ployer by whom he was employed at the time of his retirement, any
136 beneficiary, while under the age of 60 years, may, in the discretion
137 of the employer, be restored to active service. No disability bene-
138 ficiary restored to service shall be compelled or permitted to be-
139 come a member, or to receive any benefits other than those pre-
140 viously awarded to him as long as his annual rate of compensation

141 is less than his final compensation at the time of his retirement.
 142 Any beneficiary under the age of 60 years, who is restored to active
 143 service at an annual rate of compensation equal to or greater than
 144 his final compensation at the time of his retirement, or whose
 145 annual rate of compensation is increased at any time after his
 146 restoration to service, to a rate equal to or greater than his final
 147 compensation at the time of his retirement, shall thereupon again
 148 become a member of the retirement system. His retirement allow-
 149 ance shall be canceled, and deductions shall be made from his com-
 150 pensation at the rate applicable to him prior to his retirement. Any
 151 service certificate on the basis of which his service was computed at
 152 the time of his retirement shall be restored to full force and effect,
 153 and he shall be credited with all service as a member standing to his
 154 credit at the time of his retirement; except that such a beneficiary
 155 again becoming a member shall receive a retirement allowance on
 156 subsequent retirement based on all his service as a member since
 157 his last return to membership, and in addition he shall receive a
 158 retirement allowance equal to the retirement allowance on which he
 159 was retired at the time of his last retirement, but the total retire-
 160 ment allowance upon subsequent retirement shall not be a greater
 161 proportion of his final compensation than the proportion to which
 162 he would have been entitled had he remained in service during the
 163 period of his prior retirement.

1 8. Section 18A:66-46 of the New Jersey Statutes is amended to
 2 read as follows:

3 18A:66-46. *a.* Upon the death of a member in active service as
 4 a result of an accident [arising out of and in the course of his em-
 5 ployment] *met in the actual performance of duty at some definite*
 6 *time and place* and not as the result of his willful negligence, an
 7 [accident] *accidental* death benefit shall be payable, if a report
 8 of the accident is filed in the office of the retirement system within
 9 60 days next following the accident, but the board of trustees may
 10 waive such time limit, for a reasonable period, if in the judgment
 11 of the board the circumstances warrant such action. [Evidence
 12 must be submitted to the board of trustees proving that the natural
 13 and proximate cause of his death was an accident arising out of
 14 and in the course of employment at some definite time and place].

15 [Upon application by or on behalf of the dependents of such
 16 deceased member, in addition to the payment of his accumulated
 17 deductions with regular interest, an allowance of one half of the
 18 final compensation of such member, if the member was a male
 19 teacher, shall be payable as a pension to his widow, to continue
 20 during her widowhood; or, if no widow, or in case the widow dies

63 *age 70, the amount payable shall equal 3/16 of such compensation*
 64 *instead of 1 1/2 times such compensation.*

1 9. Section 18A:66-79 of the New Jersey Statutes is amended to
 2 read as follows:

3 18A:66-79. Any such group policy or policies shall include, with
 4 respect to any insurance terminating *or reducing* because the mem-
 5 ber **【ceases】** *has ceased* to be in service *or has retired*, the con-
 6 version privilege available upon termination of employment as
 7 prescribed by the law relating to group life insurance; and shall
 8 also include, with respect to insurance terminating because of
 9 termination of the group policy resulting from a termination of
 10 the death benefits for all members established under sections
 11 *18A:66-36*, *18A:66-37*, *18A:66-38*, *18A:66-41*, *18A:66-42*,
 12 *18A:66-44*, *18A:66-46* and *18A:66-53*, the conversion privilege
 13 available upon termination of the group policy as prescribed by
 14 such law. Any such group policy or policies shall also provide
 15 that if a member dies during the 31-day period during which he
 16 would be entitled to exercise the conversion privilege, the amount
 17 of insurance with respect to which he could have exercised the
 18 conversion privilege, shall be paid as a claim under the group
 19 policy.

20-21 If any member who has exercised the conversion privilege under
 22 the group policy or policies again becomes a member of the
 23 Teachers' Pension and Annuity Fund, and the individual policy
 24 obtained pursuant to the conversion privilege is still in force, he
 25 shall not again be eligible for any of the death benefits provided
 26 by this article unless he furnishes satisfactory evidence of
 27 insurability.

28 *When benefits payable upon the death of a member following*
 29 *retirement are determined as though he were an active member*
 30 *at the time of his death, the death benefit payable under the group*
 31 *policy or policies together with the amount of insurance paid under*
 32 *any individual policy obtained under the conversion privilege, shall*
 33 *in no event exceed the amount of insurance for which the member*
 34 *was insured under the group policy or policies immediately prior*
 35 *to the date the right of conversion arose.*

1 10. Section 18A:66-81 of the New Jersey Statutes is amended to
 2 read as follows:

3 18A:66-81. Any such group policy or policies shall provide that
 4 payment of any death benefits which are payable by the insurance
 5 company may be made in one sum directly to the beneficiary as
 6 hereinafter provided, in equal **【annual】** installments over a period

21 or remarries before the youngest child of such deceased member
22 attains age 18, or if the member was a married female employee,
23 then to the child or children of such member under age 18, to
24 continue until the youngest surviving child dies or attains age 18.
25 If there be no widow or child under age 18 surviving such member,
26 then there shall be paid a cash sum equal to one and one half times
27 the amount of his or her final compensation to his or her beneficiary.
28 In no case shall the accident death benefit under this section be
29 less than that provided for ordinary death benefit under the pro-
30 visions of section 18A:66-38.】

31 No such application shall be valid or acted upon unless it is filed
32 in the office of the retirement system within 【2】 5 years of the
33 date of 【the accident; but the board of trustees may waive such
34 time limit, for a reasonable period, if in the judgment of the board
35 the circumstances warrant such action】 such death.

36 *b. Upon the receipt of proper proofs of the death of a member*
37 *on account of which an accidental death benefit is payable, there*
38 *shall be paid to his widow or dependent widower a pension of 50%*
39 *of the compensation, upon which contributions by the member to*
40 *the annuity savings fund were based in the last year of creditable*
41 *service, for the use of herself or himself and the children of the*
42 *deceased member, to continue during her or his widowhood; if*
43 *there is no surviving widow or dependent widower or in the case*
44 *the widow or dependent widower dies or remarries, 20% of such*
45 *compensation will be payable to one surviving child, 35% of such*
46 *compensation to 2 surviving children in equal shares and if there*
47 *be 3 or more children, 50% of such compensation will be payable*
48 *to such children in equal shares. In the event of accidental death*
49 *occurring in the first year of creditable service, the benefits, payable*
50 *pursuant to this subsection, shall be computed at the annual rate*
51 *of compensation.*

52 *c. If there is no surviving widow, dependent widower or child,*
53 *there shall be paid to any other beneficiary of the deceased member*
54 *his accumulated deductions at the time of death.*

55 *d. In no case shall the death benefit provided in subsection b. be*
56 *less than that provided under subsection c.*

57 *e. In addition to the foregoing benefits payable under subsection*
58 *b. or c., there shall also be paid in one sum to such member's bene-*
59 *ficiary an amount equal to 1 1/2 times the compensation upon which*
60 *contributions by the member to the annuity savings fund were*
61 *based in the last year of creditable service; provided, however,*
62 *that if such death shall occur after the member shall have attained*

7 of years or as a life annuity or in such other manner as may be
 8 made available by the insurance company. A member may make
 9 such arrangements for settlement, and may alter from time to time
 10 during his lifetime any arrangement previously made, by making
 11 written request to the insurance company through the policyholder.
 12 Upon the death of a member, a beneficiary to whom a benefit is
 13 payable in one sum by the insurance company may likewise arrange
 14 for a settlement as described above. If a member's or beneficiary's
 15 request for settlement of any death benefit in equal **[annual]** in-
 16 stallments over a period of years or as a life annuity pursuant to
 17 the foregoing is approved by the policyholder, the amount of such
 18 **[annual]** installments or such life annuity, as the case may be,
 19 shall be determined on the basis of such applicable mortality tables
 20 and rates of interest as shall have been adopted by the retirement
 21 system and are in effect at the member's death. Any arrangement
 22 for payment under the group policy to a beneficiary shall be in lieu
 23 of that provided by sections 18:66-36, 18A:66-37, 18A:66-38,
 24 18A:66-41, 18A:66-42, 18A:66-44, ~~18A:66-46~~ and 18A:66-53.

1 11. Section 18A:66-90 of the New Jersey Statutes is amended to
 2 read as follows:

3 18A:66-90. On or before September 1 of each year, on the basis
 4 of the most recent actuarial valuation of the Teachers' Pension
 5 and Annuity Fund and on the basis of the appropriate social
 6 security rate of contribution, the Director of the Division of
 7 Pensions in the State Department of the Treasury, shall certify
 8 to the commissioner of education of the State Department of
 9 Education the percentage of salaries which the department and
 10 each board of education, school district or agency of this State
 11 must appropriate in its next fiscal year project budget to cover
 12 the amount of the increase and the cost of pension, group life in-
 13 surance, social security and other benefits provided by this article
 14 attributable to carrying out the programs financed by "The ele-
 15 mentary and secondary **[school]** *education* act of 1965" as enacted
 16 by the Eighty-Ninth Congress of the United States and any acts
 17 amendatory or supplementary thereto. The commissioner shall
 18 promptly notify each public employer of the percentage certified
 19 and the public employer shall, within 90 days after the close of
 20 such next fiscal year, together with supporting information pre-
 21 scribed by the Director of the Division of Pensions, reimburse the
 22 State the amount of such increased cost from funds allocated to
 23 the public employer pursuant to this Federal act or amendments
 24 or supplements thereto.

1 12. This act shall take effect immediately.

STATEMENT

This bill will make a number of minor language changes designed to bring about greater conformity in the various pension plans administered by the Division of Pensions.

The bill also provides:

1. A program of rehabilitation for persons retired on disability pensions.
2. Accidental death benefits to dependent widowers.