

43:16A-1

LEGISLATIVE HISTORY CHECKLIST
Compiled by the NJ State Law Library

(PFRS--pension)

NJSA: 43:16A-1

LAWS OF: 1996 CHAPTER: 89

BILL NO: S129

SPONSOR(S): Kyrillos

DATE INTRODUCED: Pre-filed

COMMITTEE: ASSEMBLY: Appropriations; State Government
SENATE: Budget; State Management

AMENDED DURING PASSAGE: Yes Amendments during passage denoted
Second reprint enacted by superscript numbers

DATE OF PASSAGE: ASSEMBLY: June 27, 1996
SENATE: May 16, 1996

DATE OF APPROVAL: July 26, 1996

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes 6-27-96 & 5-20-96
SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

LIBRARY
COPY

P.L. 1996, CHAPTER 89, *approved July 26, 1996*
Senate, No. 129 (*Second Reprint*)

1 AN ACT concerning the Police and Firemen's Retirement System of
2 New Jersey and amending P.L.1944, c.255.

3

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

6

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

9 1. As used in this act:

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

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

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

22 (ii) has police powers;

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

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

31 The term shall also include an administrative or supervisory

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 SSM committee amendments adopted March 14, 1996.

² Senate SBA committee amendments adopted May 2, 1996.

1 employee of a law enforcement unit or the State whose duties include
2 general or direct supervision of employees engaged in investigation,
3 apprehension or detention activities or training responsibility for these
4 employees and a requirement for engagement in investigation,
5 apprehension or detention activities if necessary, and who is
6 authorized to carry a firearm while in the actual performance of his
7 official duties and has police powers.

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

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

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

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

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

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

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

37 (9) "Regular interest" shall mean interest as determined by the
38 State Treasurer, after consultation with the Directors of the Divisions
39 of Investment and Pensions, the board of trustees and the actuary. It
40 shall bear a reasonable relationship to the percentage rate of earnings
41 on investments based on the market value of assets but shall not
42 exceed the assumed percentage rate of increase applied to salaries plus
43 3%, provided however that the board of trustees shall not set the
44 average percentage rate of increase applied to salaries below 6%.

45 (10) "Aggregate contributions" shall mean the sum of all the
46 amounts, deducted from the compensation of a member or contributed

1 by him or on his behalf, standing to the credit of his individual account
2 in the annuity savings fund.

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

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

7 (13) "Retirement allowance" shall mean the pension plus the
8 annuity.

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

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

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

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

28 (18) "Pension reserve" shall mean the present value of all payments
29 to be made on account of any pension or benefit in lieu of any pension
30 computed upon 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 (19) "Actuarial equivalent" shall mean a benefit of equal value
34 when computed upon the basis of such mortality tables recommended
35 by the actuary as shall be adopted by the board of trustees, and regular
36 interest.

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

39 (21) "Child" shall mean a deceased member's or retirant's
40 unmarried child (a) under the age of 18, or (b) 18 years of age or older
41 and enrolled in a secondary school, or (c) under the age of 24 and
42 enrolled in a degree program in an institution of higher education for
43 at least 12 credit hours in each semester, provided that the member
44 died in active service as a result of an accident met in the actual
45 performance of duty at some definite time and place, and the death
46 was not the result of the member's willful misconduct, or (d) of any

1 age who, at the time of the member's or retirant's death, is disabled
2 because of mental retardation or physical incapacity, is unable to do
3 any substantial, gainful work because of the impairment and his
4 impairment has lasted or can be expected to last for a continuous
5 period of not less than 12 months, as affirmed by the medical board.

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

12 (23) "Widower" shall mean the man to whom a member or retirant
13 was married at least [two years] ²[18 months] one year² before the
14 date of her death and to whom she continued to be married until the
15 date of her death and who ²[was receiving at least one-half of his
16 support from the member or retirant in the 12-month period
17 immediately preceding the member's or retirant's death or the accident
18 which was the direct cause of the member's death. The dependency
19 of such a widower will be considered terminated by marriage of the
20 widower subsequent to the death of the member or retirant] has not
21 remarried². In the event of the payment of an accidental death benefit,
22 the ¹[two-year] ²[18-month¹] one-year² qualification shall be waived.

23 (24) "Widow" shall mean the woman to whom a member or retirant
24 was married at least [two years] ²[18 months] one-year² before the
25 date of his death and to whom he continued to be married until the
26 date of his death and who has not remarried. In the event of the
27 payment of an accidental death benefit, the ¹[two-year] ²[18-month¹]
28 one-year² qualification shall be waived.

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

31 (26) "Compensation" shall mean the base salary, for services as a
32 member as defined in this act, which is in accordance with established
33 salary policies of the member's employer for all employees in the same
34 position but shall not include individual salary adjustments which are
35 granted primarily in anticipation of the member's retirement or
36 additional remuneration for performing temporary duties beyond the
37 regular workday.

38 (27) "Department" shall mean any police or fire department of a
39 municipality or a fire department of a fire district located in a township
40 or a county police or park police department or the appropriate
41 department of the State or instrumentality thereof.

42 (28) "Final compensation" means the compensation received by the
43 member in the last 12 months of creditable service preceding his
44 retirement.

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

1 (30) (Deleted by amendment, P.L.1992, c.78).
2 (cf: P.L.1992, c.125, s.13)

3
4 ²2. Section 10 of P.L.1944, c.255 (C.43:16A-10) is amended to
5 read as follows:

6 10. (1) Upon the death of a member in active service as a result of
7 an accident met in the actual performance of duty at some definite time
8 and place, and such death was not the result of the member's willful
9 negligence, an accidental death benefit shall be payable if a report of
10 the accident is filed in the office of the retirement system within 60
11 days next following the accident, but the board of trustees may waive
12 such time limit, for a reasonable period, if in the judgment of the board
13 the circumstances warrant such action. No such application shall be
14 valid or acted upon unless it is filed in the office of the retirement
15 system within five years of the date of such death.

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

21 (2) Upon the receipt of proper proofs of the death of a member on
22 account of which an accidental death benefit is payable, there shall be
23 paid to his widow or **[dependent]** widower a pension of 70% of the
24 compensation, upon which contributions by the member to the annuity
25 savings fund were based in the last year of creditable service, for the
26 use of herself or himself and the children of the deceased member, to
27 continue during her or his widowhood; if there is no surviving widow
28 or **[dependent]** widower or in case the widow or **[dependent]** widower
29 dies or remarries, 20% of such compensation will be payable to one
30 surviving child, 35% of such compensation to two surviving children
31 in equal shares and if there be three or more children, 50% of such
32 compensation will be payable to such children in equal shares.

33 If there is no surviving widow, **[dependent]** widower or child, 25%
34 of the compensation upon which contributions by the member to the
35 annuity savings fund were based in the last year of creditable service,
36 will be payable to one surviving dependent parent or 40% of such
37 compensation will be payable to two surviving parents in equal shares.

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

41 (3) If there is no surviving widow, **[dependent]** widower, child or
42 dependent parent, there shall be paid to any other beneficiary of the
43 deceased member, his aggregate contributions at the time of death.

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

46 (5) In addition to the foregoing benefits payable under subsection

1 (2) or (3), there shall also be paid in one sum to such beneficiary, if
2 living, as the member shall have nominated by written designation duly
3 executed and filed with the retirement system, otherwise to the
4 executor or administrator of the member's estate, an amount equal to
5 3 ½ times the compensation upon which contributions by the member
6 to the annuity savings fund were based in the last year of creditable
7 service.

8 (6) In addition to the foregoing benefits, the State shall pay to the
9 member's employer-sponsored health insurance program all health
10 insurance premiums for the coverage of the member's surviving widow
11 or **[dependent]** widower and dependent children.²

12 (cf: P.L.1994, c.15, s.1)

13

14 ²[2.] 3.² This act shall take effect immediately and shall be
15 retroactive to January 1, 1995.

16

17

18

19

20 Shortens to one year duration of marriage requirement for PFRS
21 widow's or widower's pension; eliminates dependency requirement for
22 PFRS widower's pension.

1 2. This act shall take effect immediately and shall be retroactive to
2 January 1, 1995.

3

4

5

STATEMENT

6

7 This bill shortens to 18 months the duration of marriage
8 requirement for a widow's or widower's pension under the Police and
9 Firemen's Retirement System (PFRS). PFRS provides that upon the
10 death of a member in active service as a result of an accident met in
11 the actual performance of duty, a pension of 70% of the member's
12 compensation during the last year of service is payable to the member's
13 widow or widower. Upon the death after retirement of a PFRS
14 member, there shall be paid to the member's widow or widower a
15 pension of 50% of average compensation for the three years of
16 creditable service preceding retirement or any three fiscal years
17 providing the largest possible benefit.

18 Under current law, "widow" means the woman to whom a member
19 or retirant was married at least two years before the date of his death
20 and to whom he continued to be married until the date of his death and
21 who has not remarried. The definition of widower parallels that of
22 widow except there is an additional requirement that the widower
23 receive at least one-half of his support from the PFRS member in the
24 12-month period immediately preceding the member's death. For both
25 widow and widower, in the event of the payment of an accidental
26 death benefit, the two-year qualification shall be waived. The
27 two-year duration of marriage has been required since 1979. Prior to
28 that, the duration-of-marriage requirement was five years. This bill
29 changes the two year period to 18 months.

30

31

32

33

34 Shortens to 18 months duration of marriage requirement for PFRS
35 widow's or widower's pension.

[Second Reprint]
SENATE, No. 129

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Senator KYRILLOS

1 AN ACT concerning the Police and Firemen's Retirement System of
2 New Jersey and amending P.L.1944, c.255.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 1 of P.L.1944, c.255 (C.43:16A-1) is amended to read
8 as follows:

9 1. As used in this act:

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

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

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

22 (ii) has police powers;

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

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

31 The term shall also include an administrative or supervisory

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 SSM committee amendments adopted March 14, 1996.

² Senate SBA committee amendments adopted May 2, 1996.

1 employee of a law enforcement unit or the State whose duties include
2 general or direct supervision of employees engaged in investigation,
3 apprehension or detention activities or training responsibility for these
4 employees and a requirement for engagement in investigation,
5 apprehension or detention activities if necessary, and who is
6 authorized to carry a firearm while in the actual performance of his
7 official duties and has police powers.

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

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

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

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

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

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

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

37 (9) "Regular interest" shall mean interest as determined by the
38 State Treasurer, after consultation with the Directors of the Divisions
39 of Investment and Pensions, the board of trustees and the actuary. It
40 shall bear a reasonable relationship to the percentage rate of earnings
41 on investments based on the market value of assets but shall not
42 exceed the assumed percentage rate of increase applied to salaries plus
43 3%, provided however that the board of trustees shall not set the
44 average percentage rate of increase applied to salaries below 6%.

45 (10) "Aggregate contributions" shall mean the sum of all the
46 amounts, deducted from the compensation of a member or contributed

1 by him or on his behalf, standing to the credit of his individual account
2 in the annuity savings fund.

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

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

7 (13) "Retirement allowance" shall mean the pension plus the
8 annuity.

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

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

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

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

28 (18) "Pension reserve" shall mean the present value of all payments
29 to be made on account of any pension or benefit in lieu of any pension
30 computed upon 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 (19) "Actuarial equivalent" shall mean a benefit of equal value
34 when computed upon the basis of such mortality tables recommended
35 by the actuary as shall be adopted by the board of trustees, and regular
36 interest.

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

39 (21) "Child" shall mean a deceased member's or retiree's
40 unmarried child (a) under the age of 18, or (b) 18 years of age or older
41 and enrolled in a secondary school, or (c) under the age of 24 and
42 enrolled in a degree program in an institution of higher education for
43 at least 12 credit hours in each semester, provided that the member
44 died in active service as a result of an accident met in the actual
45 performance of duty at some definite time and place, and the death
46 was not the result of the member's willful misconduct, or (d) of any

1 age who, at the time of the member's or retirant's death, is disabled
2 because of mental retardation or physical incapacity, is unable to do
3 any substantial, gainful work because of the impairment and his
4 impairment has lasted or can be expected to last for a continuous
5 period of not less than 12 months, as affirmed by the medical board.

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

12 (23) "Widower" shall mean the man to whom a member or retirant
13 was married at least ~~two years~~² ~~18 months~~² one year² before the
14 date of her death and to whom she continued to be married until the
15 date of her death and who ²[was receiving at least one-half of his
16 support from the member or retirant in the 12-month period
17 immediately preceding the member's or retirant's death or the accident
18 which was the direct cause of the member's death. The dependency
19 of such a widower will be considered terminated by marriage of the
20 widower subsequent to the death of the member or retirant] has not
21 remarried². In the event of the payment of an accidental death benefit,
22 the ¹[two-year] ²[18-month¹] one-year² qualification shall be waived.

23 (24) "Widow" shall mean the woman to whom a member or retirant
24 was married at least ~~two years~~² ~~18 months~~² one-year² before the
25 date of his death and to whom he continued to be married until the
26 date of his death and who has not remarried. In the event of the
27 payment of an accidental death benefit, the ¹[two-year] ²[18-month¹]
28 one-year² qualification shall be waived.

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

31 (26) "Compensation" shall mean the base salary, for services as a
32 member as defined in this act, which is in accordance with established
33 salary policies of the member's employer for all employees in the same
34 position but shall not include individual salary adjustments which are
35 granted primarily in anticipation of the member's retirement or
36 additional remuneration for performing temporary duties beyond the
37 regular workday.

38 (27) "Department" shall mean any police or fire department of a
39 municipality or a fire department of a fire district located in a township
40 or a county police or park police department or the appropriate
41 department of the State or instrumentality thereof.

42 (28) "Final compensation" means the compensation received by the
43 member in the last 12 months of creditable service preceding his
44 retirement.

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

1 (30) (Deleted by amendment, P.L.1992, c.78).
2 (cf: P.L.1992, c.125, s.13)

3
4 ²2. Section 10 of P.L.1944, c.255 (C.43:16A-10) is amended to
5 read as follows:

6 10. (1) Upon the death of a member in active service as a result of
7 an accident met in the actual performance of duty at some definite time
8 and place, and such death was not the result of the member's willful
9 negligence, an accidental death benefit shall be payable if a report of
10 the accident is filed in the office of the retirement system within 60
11 days next following the accident, but the board of trustees may waive
12 such time limit, for a reasonable period, if in the judgment of the board
13 the circumstances warrant such action. No such application shall be
14 valid or acted upon unless it is filed in the office of the retirement
15 system within five years of the date of such death.

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

21 (2) Upon the receipt of proper proofs of the death of a member on
22 account of which an accidental death benefit is payable, there shall be
23 paid to his widow or **【dependent】** widower a pension of 70% of the
24 compensation, upon which contributions by the member to the annuity
25 savings fund were based in the last year of creditable service, for the
26 use of herself or himself and the children of the deceased member, to
27 continue during her or his widowhood; if there is no surviving widow
28 or **【dependent】** widower or in case the widow or **【dependent】**
29 widower dies or remarries, 20% of such compensation will be payable
30 to one surviving child, 35% of such compensation to two surviving
31 children in equal shares and if there be three or more children, 50% of
32 such compensation will be payable to such children in equal shares.

33 If there is no surviving widow, **【dependent】** widower or child, 25%
34 of the compensation upon which contributions by the member to the
35 annuity savings fund were based in the last year of creditable service,
36 will be payable to one surviving dependent parent or 40% of such
37 compensation will be payable to two surviving parents in equal shares.

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

41 (3) If there is no surviving widow, **【dependent】** widower, child or
42 dependent parent, there shall be paid to any other beneficiary of the
43 deceased member, his aggregate contributions at the time of death.

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

46 (5) In addition to the foregoing benefits payable under subsection

1 (2) or (3), there shall also be paid in one sum to such beneficiary, if
2 living, as the member shall have nominated by written designation duly
3 executed and filed with the retirement system, otherwise to the
4 executor or administrator of the member's estate, an amount equal to
5 3 ½ times the compensation upon which contributions by the member
6 to the annuity savings fund were based in the last year of creditable
7 service.

8 (6) In addition to the foregoing benefits, the State shall pay to the
9 member's employer-sponsored health insurance program all health
10 insurance premiums for the coverage of the member's surviving widow
11 or **dependent** widower and dependent children.²
12 (cf: P.L.1994, c.15, s.1)

13
14 ²**[2.] 3.**² This act shall take effect immediately and shall be
15 retroactive to January 1, 1995.

16

17

18

19

20 Shortens to one year duration of marriage requirement for PFRS
21 widow's or widower's pension; eliminates dependency requirement for
22 PFRS widower's pension.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[Second Reprint]

SENATE, No. 129

STATE OF NEW JERSEY

DATED: JUNE 27, 1996

The Assembly Appropriations Committee reports favorably Senate Bill No. 129 (2R).

Senate Bill No. 129 (2R) shortens the length of time that the surviving spouse of a retirant from the Police and Firemen's Retirement System (PFRS) must have been married to the retirant in order for the spouse to qualify for a widow or widower's pension under the retirement system.

Under current law, "widow" and "widower" means the woman or the man, respectively, to whom a PFRS member or retirant was married at least two years and to whom the member or retirant continued to be married until death and who has not remarried. This bill changes the two-year period to one year.

In addition, the bill eliminates a requirement, applicable to widowers but not to widows, that to be eligible for a pension, the survivor must have been receiving at least one-half of his support from the decedent in the year preceding her death.

The PFRS statute provides, N.J.S.A.43:16A-12.1, that upon the death after retirement of a PFRS member, the retirant's widow or widower will receive a pension of 50% of average compensation for the three years of creditable service preceding retirement or any three fiscal years providing the largest possible benefit.

Under current law, the marriage duration requirement is waived for a widow or widower of a member who dies in actual performance of duty. The surviving spouse is entitled to a pension of 70% of the member's compensation. This bill, upon enactment, will be retroactive to January 1, 1995.

The provisions of this bill were part of recommendations made last session by the Pension and Health Benefits Review Commission in its review of a similar bill, S-2028 of 1994-95, which shortened the marriage duration requirement from two years to 18 months.

This bill is identical A-1252 of 1996.

FISCAL IMPACT:

The Office of Legislative Services noted that it cannot estimate the additional liability of this legislation to PFRS because there is no

information available on the number of members who die after one year but before 24 months of marriage. This situation is rare.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

[Second Reprint]

SENATE, No. 129

STATE OF NEW JERSEY

DATED: MAY 20, 1996

The Assembly State Government Committee reports favorably Senate, No. 129 (2R).

This bill shortens the length of time that the surviving spouse of a retirant from the Police and Firemen's Retirement System (PFRS) must have been married to the retirant in order for the spouse to qualify for a widow or widower's pension under the retirement system.

Under current law, "widow" and "widower" means the woman or the man, respectively, to whom a PFRS member or retirant was married at least two years and to whom the member or retirant continued to be married until death and who has not remarried. This bill changes the two-year period to one year.

In addition, the bill eliminates a requirement, applicable to widowers but not to widows, that to be eligible for a pension, the survivor must have been receiving at least one-half of his support from the decedent in the year preceding her death.

The PFRS statute provides, N.J.S.A.43:16A-12.1, that upon the death after retirement of a PFRS member, the retirant's widow or widower will receive a pension of 50% of average compensation for the three years of creditable service preceding retirement or any three fiscal years providing the largest possible benefit.

(The statute also provides, N.J.S.A.43:16A-10, that the widow or widower of an active member who dies in the actual performance of duty shall be eligible for an accidental death benefit, but only the bill's elimination of the dependency requirement for widowers affects members of this class of surviving spouses because the marriage duration requirement is waived for the widow or widower of a member who dies in the line of duty.)

This bill, upon enactment, will be retroactive to January 1, 1995.

The one-year marriage duration requirement and the elimination of the different treatment of widows and widowers comport with recommendations made last session by the Pension and Health Benefits Review Commission in its review of a similar bill, S-2028 of 1994-95, which shortened the marriage duration requirement from two years to 18 months.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint] **SENATE, No. 129**

with Senate committee amendments

STATE OF NEW JERSEY

DATED: MAY 2, 1996

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 129 (1R) with committee amendments.

Senate Bill No. 129 (1R), as amended, shortens the length of time that the surviving spouse of a retirant from the Police and Firemen's Retirement System (PFRS) must have been married to the retirant in order for the spouse to qualify for a widow or widower's pension under the retirement system.

The PFRS statute provides that upon the death after retirement of a member, the retirant's widow or widower will receive a pension of 50% of average compensation for the three years of creditable service preceding retirement or any three fiscal years providing the largest possible benefit.

Under current law, "widow" and "widower" means the woman or the man, respectively, to whom a PFRS retirant was married at least two years and to whom the retirant continued to be married until death and who has not remarried. This bill changes the two-year period to one year.

In addition, the bill eliminates a requirement, applicable to widowers but not to widows, that to be eligible for a pension, the survivor must have been receiving at least one-half of his support from the decedent in the year preceding her death.

Under current law, the marriage duration requirement is waived for the widow or widower of a member who dies in the actual performance of duty. The surviving spouse is entitled to a pension benefit of 70% of the member's compensation during the last year of service.

This bill, upon enactment, will be retroactive to January 1, 1995.

Last session, the Pension and Health Benefits Review Commission reviewed an identical bill and recommended shortening the marriage duration requirement to one year rather than 18-months, eliminating the different treatment of widows and widowers, and providing for uniform marriage duration requirements among all the retirement

systems.

As amended and reported, this bill is identical to Assembly Bill No. 1252 of 1996 (Azzolina/J Smith).

COMMITTEE AMENDMENT

The committee amended the bill, with the approval of the sponsor, to shorten the marriage requirement from 18 months to one year and eliminate a requirement applicable to widowers but not to widows that the survivor must have been receiving at least one-half of his support from the decedent in the year preceding her death to be eligible for a pension.

These amendments make this bill identical to Assembly Bill No. 1252 of 1996.

FISCAL IMPACT

The Office of Legislative Services (OLS) notes that it cannot estimate the additional liability of this legislation to PFRS because there is no information on the number of members who die after one year but before 24 months of marriage. The OLS believes that such situations will be rare.

SENATE STATE MANAGEMENT, INVESTMENT AND
FINANCIAL INSTITUTIONS COMMITTEE

STATEMENT TO

SENATE, No. 129

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 14, 1996

The Senate State Management, Investment and Financial Institutions Committee reports favorably and with committee amendments Senate Bill No. 129.

This bill amends the definition of "widow" and "widower" in the Police and Firemen's Retirement System (PFRS) to reduce the marriage duration requirement from two years to 18 months prior to the retiree's date of death in order for a widow or widower to qualify for a pension benefit. Upon the death of a PFRS retiree, there is paid to the retiree's widow or widower a pension of 50% of average final compensation (the three years of creditable service preceding retirement or any three fiscal years providing the largest possible benefit). A member does not have to choose a reduced pension for a spouse to receive this benefit.

It should also be noted that under current law the marriage duration requirement is waived for the widow or widower of a member who dies in the actual performance of duty. The surviving spouse is entitled to a pension benefit of 70% of the member's compensation during the last year of service.

This act shall take effect immediately and shall be retroactive to January 1, 1995.

This bill was prefiled for introduction in the 1996 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.

Last session, an identical bill (S2028) was approved by the Pension and Health Benefits Review Commission. The commission, however, also recommended shortening the marriage duration requirement to one year rather than 18-months, eliminating different treatment of widows and widowers, and providing for uniform marriage duration requirements among all the retirement systems.

(The following should be noted with regards to the commission's recommendations:

(1) The spouse of a Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) retiree, unlike the

spouse of a PFRS retiree, does not automatically receive a pension benefit upon the retiree's death after retirement. The retiree must have chosen a reduced retirement allowance option in order to provide that the spouse will receive a pension benefit upon the retiree's death. Thus, a marriage duration requirement is not applicable in this context in these retirement systems.

(2) There is no marriage duration requirement in the State Police Retirement System (SPRS). A member does not have to choose a reduced retirement allowance option in order to provide that the spouse will receive a pension benefit of 50% of final compensation upon the retiree's death.

(3) There is a four year marriage duration requirement in the Judicial Retirement System (JRS) for the spouse to qualify for a pension benefit upon the retiree's death. A member does not have to choose a reduced retirement allowance option in order to provide that the spouse will receive a pension benefit of 25% of final salary upon the retiree's death.)

COMMITTEE AMENDMENT

The committee amended the bill to clarify that in the event of the payment of an accidental death benefit, the 18-month requirement, not the prior two-year requirement, shall be waived.