

43:16A-9.5

LEGISLATIVE HISTORY CHECKLIST
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(PFRS)

NJSA: 43:16A-9.5

LAWS OF: 1995 **CHAPTER:** 378

BILL NO: A2738

SPONSOR(S): Augustine

DATE INTRODUCED: May 1, 1995

COMMITTEE: **ASSEMBLY:** State Government

SENATE: State Management

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** June 29, 1995

SENATE: December 18, 1995

DATE OF APPROVAL: January 9, 1996

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBP:pp

[FIRST REPRINT]
ASSEMBLY, No. 2738

STATE OF NEW JERSEY

INTRODUCED MAY 1, 1995

By Assemblyman AUGUSTINE

1 **AN ACT** concerning the retirement of certain members of the
2 Police and Firemen's Retirement System of New Jersey and
3 supplementing P.L.1944, c.255 (C.43:16A-1 et seq.).
4

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

7 1. Notwithstanding the provisions of paragraph b. of subsection
8 (2) of section 9 of P.L.1944, c.255 (C.43:16A-9) to the contrary, a
9 member of the Police and Firemen's Retirement System with at
10 least 20 years of creditable service who is certified as terminally
11 ill and who, within one month of that certification, becomes
12 incapable mentally or physically of applying for ordinary
13 disability retirement before death shall be deemed to be retired
14 on the date of the member's death if¹, on or before the 60th day
15 following that date of death or the effective date of this act,
16 whichever is later,¹ the surviving beneficiary makes that request
17 in writing to the board. Upon approval by the board, the request
18 shall become irrevocable, and the survivors of the member shall
19 receive all benefits due to survivors of an ordinary disability
20 retiree of the retirement system.

21 2. This act shall take effect immediately and shall be
22 retroactive to April 1, 1994.
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27 Provides that certain PFRS members may be declared retirees at
28 time of death.

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ASG committee amendments adopted June 8, 1995.

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11 ill and who, within one month of that certification, becomes
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13 disability retirement before death shall be deemed to be retired
14 on the date of the member's death if the surviving beneficiary
15 makes that request in writing to the board. Upon approval by the
16 board, the request shall become irrevocable, and the survivors of
17 the member shall receive all benefits due to survivors of an
18 ordinary disability retiree of the retirement system.

19 2. This act shall take effect immediately and shall be
20 retroactive to April 1, 1994.
21
22

23 STATEMENT
24

25 This bill provides that a member of the Police and Firemen's
26 Retirement System with at least 20 years of creditable service
27 who is certified as terminally ill and who, within one month of
28 that certification, becomes incapable mentally or physically of
29 applying for ordinary disability retirement before death shall be
30 deemed to be retired on the date of the member's death if the
31 surviving beneficiary makes that request in writing to the board.
32 Upon approval by the board, the request shall become
33 irrevocable, and the survivors of the member shall receive all
34 benefits due to survivors of an ordinary disability retiree of the
35 retirement system.

36 Survivors benefits are: (1) a death benefit in an amount equal
37 to three and one-half times the member's compensation in the
38 last year of creditable service if the retiree is under 55 years of
39 age and 1/2 of such compensation if the member is 55 or older;
40 (2) a pension for the surviving spouse of 50% of average final
41 compensation plus 15% of such compensation to one surviving
42 child or 25% of such compensation to two or more children, or if
43 there is no surviving spouse or the spouse dies or remarries, 20%
44 of average final compensation to one surviving child, 35% to two
45 surviving children, and 50% to three or more children (average is

1 the average of the member's three highest-paid years of
2 service); and (3) paid health benefits coverage, if the employing
3 municipality has exercised the option to so provide.

4 The act shall be retroactive to April 1, 1994.

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9 Provides that certain PFRS members may be declared retirees at
10 time of death.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[FIRST REPRINT]

ASSEMBLY, No. 2738

STATE OF NEW JERSEY

DATED: JUNE 29, 1995

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2738 [1R].

Assembly Bill No. 2738 [1R] provides that a member of the Police and Firemen's Retirement System (PFRS) with at least 20 years of creditable service who is certified as terminally ill and who, within one month of that certification, becomes incapable mentally or physically of applying for ordinary disability retirement before death shall be deemed to be retired on the date of the member's death if the surviving beneficiary makes that request in writing to the PFRS board of trustees. Upon approval by the board, the request shall become irrevocable, and the survivors of the member shall receive all benefits due to survivors of an ordinary disability retiree of the retirement system.

Survivor benefits under PFRS with respect to non-service connected death consist of the return of the member's contributions plus a lump sum equal to 3 1/2 times the member's compensation in the last year of creditable service.

Survivor benefits under PFRS with respect to the death of an ordinary disability retiree consist of (1) a death benefit equal to 3 1/2 times the compensation in the last year of service if the retiree is under 55 years of age and 1/2 of such compensation if the member is 55 or older, (2) a pension for the surviving spouse of 50% of average final compensation plus 15% of such compensation to one surviving child or 25% of such compensation to two or more children, or if there is no surviving spouse or the spouse dies or remarries, 20% of average final compensation to one surviving child, 35% to two surviving children, and 50% to three or more children ("average final compensation" is the average of the member's three highest-paid years of service), and (3) paid health benefits coverage, if the employing municipality has exercised the option to so provide, N.J.S.A.52:14-17.38 (State Health Benefits Program) or N.J.S.A.40A:10-23 (self-insurance plan).

The legislation is retroactive to April 1, 1994.

FISCAL IMPACT:

The bill affects one member of PFRS. However, if circumstances occur, the statute could affect a small number of others. The difference in amounts is more crucial to the family than its impact on the retirement system in general.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2738

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 8, 1995

The Assembly State Government Committee reports favorably and with committee amendments Assembly, No. 2738.

This bill provides that a member of the Police and Firemen's Retirement System (PFRS) with at least 20 years of creditable service who is certified as terminally ill and who, within one month of that certification, becomes incapable mentally or physically of applying for ordinary disability retirement before death shall be deemed to be retired on the date of the member's death if the surviving beneficiary makes that request in writing to the PFRS board of trustees. Upon approval by the board, the request shall become irrevocable, and the survivors of the member shall receive all benefits due to survivors of an ordinary disability retiree of the retirement system.

Survivor benefits payable under PFRS with respect to the non-service connected death of an active member consist of the return of the member's aggregate contributions plus a lump sum payment of an amount equal to 3 1/2 times the member's compensation in the last year of creditable service, N.J.S.A.43:16A-9, subsection (1).

Survivor benefits payable under PFRS with respect to the death of an ordinary disability retiree consist of (1) a death benefit in an amount equal to 3 1/2 times the member's compensation in the last year of creditable service if the retiree is under 55 years of age and 1/2 of such compensation if the member is 55 or older, N.J.S.A.43:16A-5, subsection (3); (2) a pension for the surviving spouse of 50% of average final compensation plus 15% of such compensation to one surviving child or 25% of such compensation to two or more children, or if there is no surviving spouse or the spouse dies or remarries, 20% of average final compensation to one surviving child, 35% to two surviving children, and 50% to three or more children ("average final compensation" is the average of the member's three highest-paid years of service), N.J.S.A. 43:16A-12.1, subsection a.; and (3) paid health benefits coverage, if the employing municipality has exercised the option to so provide, N.J.S.A.52:14-17.38 (State Health Benefits Program) or N.J.S.A.40A:10-23 (self-insurance plan).

The legislation is retroactive to April 1, 1994.

COMMITTEE AMENDMENTS

The committee adopted amendments to this legislation to require that application by a surviving beneficiary under the bill shall be made not later than the 60th day following the death of the member or the date on which the legislation takes effect as law, whichever is later.

SENATE STATE MANAGEMENT, INVESTMENTS AND
FINANCIAL INSTITUTIONS COMMITTEE

STATEMENT TO

[FIRST REPRINT]

ASSEMBLY, No. 2738

STATE OF NEW JERSEY

DATED: DECEMBER 11, 1995

The Senate State Management, Investments and Financial Institutions Committee reports favorably Assembly, No. 2738 (1R).

This bill provides that a member of the Police and Firemen's Retirement System (PFRS) with at least 20 years of creditable service who is certified as terminally ill and who, within one month of that certification, becomes incapable mentally or physically of applying for ordinary disability retirement before death shall be deemed to be retired on the date of the member's death if the surviving beneficiary makes that request in writing to the PFRS board of trustees. Upon approval by the board, the request shall become irrevocable, and the survivors of the member shall receive all benefits due to survivors of an ordinary disability retiree of the retirement system.

Survivor benefits payable under PFRS with respect to the non-service connected death of an active member consist of the return of the member's aggregate contributions plus a lump sum payment of an amount equal to 3 1/2 times the member's compensation in the last year of creditable service, N.J.S.A.43:16A-9, subsection (1).

Survivor benefits payable under PFRS with respect to the death of an ordinary disability retiree consist of (1) a death benefit in an amount equal to 3 1/2 times the member's compensation in the last year of creditable service if the retiree is under 55 years of age and 1/2 of such compensation if the member is 55 or older, N.J.S.A.43:16A-6, subsection (3); (2) a pension for the surviving spouse of 50% of average final compensation plus 15% of such compensation to one surviving child or 25% of such compensation to two or more children, or if there is no surviving spouse or the spouse dies or remarries, 20% of average final compensation to one surviving child, 35% to two surviving children, and 50% to three or more children ("average final compensation" is the average of the member's three highest-paid years of service), N.J.S.A. 43:16A-12.1, subsection a.; and (3) paid health benefits coverage, if the employing municipality has exercised the option to so provide, N.J.S.A.52:14-17.38 (State Health Benefits Program) or N.J.S.A.40A:10-23 (self-insurance plan).

The legislation is retroactive to April 1, 1994.

PENSION AND HEALTH BENEFITS REVIEW COMMISSION ACTION

On October 13, 1995, the commission recommended that the Legislature not enact this bill because "it is a liberalization of established standards for retirement."