

18A:66-48

LEGISLATIVE HISTORY CHECKLIST
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(State administered pension
systems--monthly payment)

NJSA: 18A:66-48

LAWS OF: 1993 **CHAPTER:** 335

BILL NO: S359

SPONSOR(S) Menendez

DATE INTRODUCED: February 13, 1992

COMMITTEE: **ASSEMBLY:** Appropriations

SENATE: Senior Citizens; Budget

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** December 16, 1993

SENATE: June 17, 1993

DATE OF APPROVAL: December 27, 1993

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: Yes 7-20-92 & 5-6-93

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBG:pp

1 AN ACT concerning the payment of pensions and amending
2 various parts of the statutory law.

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

6 1. N.J.S.18A:66-48 is amended to read as follows:

7 18A:66-48. Monthly payments; payment upon death of retirant
8 A pension, an annuity or a retirement allowance granted under
9 the provisions of this article shall be effective only on the first
10 day of a month, shall be paid in equal monthly installments, and
11 shall not be decreased, increased, revoked, or repealed, except as
12 otherwise provided in this article; provided, however, that at the
13 time any benefit becomes payable, any unpaid balance of a loan
14 or arrearage outstanding shall be deducted from any benefit
15 otherwise payable.

16 Upon the death of a retirant, any unpaid benefits due him shall
17 be paid in one lump sum to such person, if living, as he shall have
18 nominated by written designation duly executed and filed with
19 the board of trustees, otherwise to the executor or administrator
20 of the retirant's estate. No pension, annuity or retirement
21 allowance shall be due to a retirant or a beneficiary unless it
22 constitutes a payment for an entire month; provided, however,
23 that a pension, annuity or retirement allowance shall be payable
24 for the entire month in which the retirant or beneficiary dies.

25 (cf: N.J.S.18A:66-48)

26 2. Section 2 of P.L.1958, c.143 (C.43:3B-2) is amended to read
27 as follows:

28 2. The monthly retirement allowance or pension originally
29 granted to any retirant and the pension or survivorship benefit
30 originally granted to any beneficiary shall be adjusted in
31 accordance with the provisions of this act provided, however,
32 that:

33 a. the maximum retirement allowance, without option, shall be
34 considered the retirement allowance originally granted to any
35 retirant who, at retirement, elected an Option I allowance
36 pursuant to the provisions of the statutes stipulated in subsection
37 b. of section 1 of this act (C.43:3B-1); and b. the minimum
38 pension granted to any beneficiary stipulated in subsection d. (4)
39 of section 1 of this act (C.43:3B-1), shall be considered the
40 pension originally granted to such beneficiary.

41 Pension adjustments shall not be paid to retirants or
42 beneficiaries who are not receiving their regular, full, monthly
43 retirement allowances, pensions or survivorship benefits.

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.

1 The adjustment granted under the provisions of this act shall be
2 effective only on the first day of a month, shall be paid in
3 monthly installments, and shall not be decreased, increased,
4 revoked or repealed except as otherwise provided in this act. No
5 adjustment shall be due to a retirant or a beneficiary unless it
6 constitutes a payment for an entire month; provided, however,
7 that an adjustment shall be payable for the entire month in which
8 the retirant or beneficiary dies.

9 (cf: P.L.1975, c.375, s.2)

10 3. Section 16 of P.L.1973, c.140 (C.43:6A-16) is amended to
11 read as follows:

12 16. All pensions or retirement allowances granted under the
13 provisions of this act shall be effective on the first day following
14 retirement, shall be paid in equal monthly installments, except
15 that in those instances where payment is required for a portion of
16 a month which is not complete a pro rata payment shall be made,
17 and shall not be decreased, increased, revoked or repealed,
18 except as otherwise provided in this act.

19 Upon the death of a retirant, any unpaid benefits due him shall
20 be paid in one lump sum to his beneficiary. No pension or
21 retirement allowance shall be due to a retirant or a beneficiary
22 unless it constitutes a payment for an entire month; provided,
23 however, that a pension, annuity or retirement allowance shall be
24 payable for the entire month in which the retirant or beneficiary
25 dies.

26 (cf: P.L.1981, c.470, s.9)

27 4. Section 51 of P.L.1954, c.84 (C.43:15A-51) is amended to
28 read as follows:

29 51. A pension, an annuity or a retirement allowance granted
30 under the provisions of this act shall be effective only on the first
31 day of a month, shall be paid in equal monthly installments, and
32 shall not be decreased, increased, revoked or repealed, except as
33 otherwise provided in this act; provided, however, that at the
34 time any benefit becomes payable any unpaid balance of a loan or
35 arrearage outstanding shall be deducted from any benefit
36 otherwise payable.

37 Upon the death of a retirant, any unpaid benefits due him shall
38 be paid in one lump sum to such person, if living, as he shall have
39 nominated by written designation duly executed and filed with
40 the board of trustees, otherwise to the executor or administrator
41 of the retirant's estate. No pension, annuity or retirement
42 allowance shall be due to a retirant or beneficiary unless it
43 constitutes a payment for an entire month; provided, however,
44 that a pension, annuity or retirement allowance shall be payable
45 for the entire month in which the retirant or beneficiary dies.

46 (cf: P.L.1966, c.87, s.8)

47 5. Section 27 of P.L.1967, c.250 (C.43:16A-12.2) is amended to
48 read as follows:

49 27. A pension, an annuity or a retirement allowance granted
50 under the provisions of this act shall be effective only on the first
51 day of a month, shall be paid in equal monthly installments, and
52 shall not be decreased, increased, revoked or repealed, except as
53 otherwise provided in this act; provided, however, that at the
54 time any benefit becomes payable any unpaid balance of a loan or

1 arrearage outstanding shall be deducted from any benefit
2 otherwise payable.

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7 of the retirant's estate. No pension, annuity or retirement
8 allowance shall be due to a retirant or beneficiary unless it
9 constitutes a payment for an entire month; provided, however,
10 that a pension, annuity or retirement allowance shall be payable
11 for the entire month in which the retirant or beneficiary dies.

12 (cf: P.L.1967, c.250, s.27)

13 6. Section 20 of P.L.1965, c.89 (C.53:5A-20) is amended to
14 read as follows:

15 20. Upon the death of a retirant, any unpaid pension benefits
16 due him shall be paid in one lump sum to such person, if living, as
17 he shall have nominated by written designation duly executed and
18 filed with the board of trustees, otherwise to the executor or
19 administrator of the retirant's estate. No pension, annuity, or
20 retirement allowance shall be due to a retirant or a beneficiary
21 unless it constitutes a payment for an entire month; provided,
22 however, that a pension, annuity or retirement allowance shall be
23 payable for the entire month in which the retirant or beneficiary
24 dies.

25 (cf: P.L.1966, c.153, s.11)

26 7. This act shall take effect immediately.

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STATEMENT

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31 This bill provides that a pension, annuity, retirement
32 allowance, or pension adjustment shall be payable for the entire
33 month in which the retirant or beneficiary dies. Under the
34 current law, payments made for the month in which a retirant
35 dies must be returned to the Division of Pensions. The bill
36 amends the statutes of the Teachers' Pension and Annuity Fund,
37 the Pension Adjustment Act, the Judicial Retirement System, the
38 Public Employees' Retirement System, the Police and Firemen's
39 Retirement System, and the State Police Retirement System.

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44 Provides that any benefit payment shall be payable for the month
45 in which a retirant or beneficiary dies.

1 arrearage outstanding shall be deducted from any benefit
2 otherwise payable.

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4 be paid in one lump sum to such person, if living, as he shall have
5 nominated by written designation duly executed and filed with
6 the board of trustees, otherwise to the executor or administrator
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38 Public Employees' Retirement System, the Police and Firemen's
39 Retirement System, and the State Police Retirement System.

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45 in which a retirant or beneficiary dies.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 359

STATE OF NEW JERSEY

DATED: DECEMBER 13, 1993

The Assembly Appropriations Committee reports favorably Senate Bill No. 359.

Senate Bill No. 359 requires that a pension, annuity, retirement allowance, or pension adjustment is to be paid for the entire month in which a retirant or beneficiary dies. The bill amends the statutes concerning the Teachers' Pension and Annuity Fund, the Pension Adjustment Act, the Judicial Retirement System, the Public Employees' Retirement System, the Police and Firemen's Retirement System, and the State Police Retirement System.

Under the current law, payments made for the month in which a retirant dies must be returned to the Division of Pensions. According to the division, other retirement systems and the Social Security Administration have a similar requirement.

This bill is identical to Assembly Bill No. 723.

FISCAL IMPACT:

In the fiscal note to the identical Assembly bill, the Division of Pensions estimated that the bill would require an annual increase in the funding of the pension systems. The estimated amount for fiscal year 1994 is approximately \$16.4 million, with \$9.7 million paid by the State and \$6.6 million paid by local employers.

SENATE SENIOR CITIZENS, VETERANS AFFAIRS
AND AGRICULTURE COMMITTEE

STATEMENT TO

SENATE, No. 359

STATE OF NEW JERSEY

DATED: JULY 20, 1992

The Senate Senior Citizens, Veterans Affairs and Agriculture Committee favorably reports Senate Bill No. 359.

This bill provides that a pension, annuity, retirement allowance, or pension adjustment shall be payable for the entire month in which the retirant or beneficiary dies. Under the current law, payments made for the month in which a retirant dies must be returned to the Division of Pensions. The bill amends the statutes of the Teachers' Pension and Annuity Fund, the Pension Adjustment Act, the Judicial Retirement System, the Public Employees' Retirement System, the Police and Firemen's Retirement System, and the State Police Retirement System.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 359

STATE OF NEW JERSEY

DATED: MAY 6, 1993

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 359.

Senate Bill No. 359 requires that a pension, annuity, retirement allowance, or pension adjustment is to be paid for the entire month in which a retirant or beneficiary dies. The bill amends the statutes concerning the Teachers' Pension and Annuity Fund, the Pension Adjustment Act, the Judicial Retirement System, the Public Employees' Retirement System, the Police and Firemen's Retirement System, and the State Police Retirement System.

Under the current law, payments made for the month in which a retirant dies must be returned to the Division of Pensions. According to the division, other retirement systems and the Social Security Administration have a similar requirement.

The committee reported the bill with the understanding that it would be reviewed by the Pension and Health Benefits Review Commission. The committee has requested that the commission review the bill as soon as possible.

FISCAL IMPACT

The Division of Pensions estimates that the bill would require an annual increase in the funding of the pension systems of approximately \$16.4 million, with \$9.7 million paid by the State and \$6.6 million paid by local employers.