

53:5A-8

**LEGISLATIVE HISTORY CHECKLIST**  
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(State Police Retirement System--  
amendments)

**NJSA:** 53:5A-8

**LAWS OF:** 1993 **CHAPTER:** 354

**BILL NO:** A2309

**SPONSOR(S):** Kavanaugh and others

**DATE INTRODUCED:** February 22, 1993

**COMMITTEE:** **ASSEMBLY:** Appropriations; State Government  
**SENATE:** Law & Public Safety

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

**DATE OF PASSAGE:** **ASSEMBLY:** December 13, 1993  
**SENATE:** December 2, 1993

**DATE OF APPROVAL:** December 30, 1993

**FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:**

**SPONSOR STATEMENT:** Yes

**COMMITTEE STATEMENT:** **ASSEMBLY:** Yes 11-15-93 & 6-3-93  
**SENATE:** Yes

**FISCAL NOTE:** No

**VETO MESSAGE:** No

**MESSAGE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

**REPORTS:** No

**HEARINGS:** No

See newspaper clippings--attached

KBG:pp

[FIRST REPRINT]  
ASSEMBLY, No. 2309

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 22, 1993

By Assemblymen KAVANAUGH, ZANGARI, Kelly, Augustine,  
Bagger, Lance, Kamin, Green, Assemblywomen Farragher,  
Haines and Assemblyman Wolfe

1 AN ACT concerning certain retirement benefits under the State  
2 Police Retirement System of New Jersey and amending  
3 P.L.1965, c.89.

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

7 1. Section 8 of P.L.1965, c.89 (C.53:5A-8) is amended to read  
8 as follows:

9 8. a. The Legislature finds and declares that the public health,  
10 safety and welfare require the ongoing health and fitness of all  
11 members of the New Jersey State Police so that they may safely  
12 and efficiently protect the public. The Legislature further finds  
13 and declares that such continued health and fitness cannot be  
14 determined except with reference to age, and therefore finds and  
15 concludes that retirement of all members of the State Police at  
16 age 55, except as provided for in subsection c. of this section,  
17 shall constitute a bona fide occupational qualification which is  
18 reasonably necessary to the normal operation of the State Police,  
19 which qualification the Legislature hereby promulgates and  
20 establishes.

21 b. Any member of the retirement system may retire on a  
22 service retirement allowance upon the completion of at least 20  
23 years of creditable service as a State policeman, which includes  
24 the creditable service of those members appointed to the Division  
25 of State Police under section 3 of P.L.1983, c.403 (C.39:2-9.3).  
26 Upon the filing of a written and duly executed application with  
27 the retirement system, setting forth at what time, not less than  
28 one month subsequent to the filing thereof, he desires to be  
29 retired, any such member retiring for service shall receive a  
30 service retirement allowance which shall consist of:

31 (1) An annuity which shall be the actuarial equivalent of his  
32 aggregate contributions; and

33 (2) A pension in the amount which, when added to the  
34 member's annuity, will provide a total retirement allowance of  
35 50% of his final compensation.

36 c. Except for the Superintendent of State Police, any member  
37 of the retirement system including a member appointed to the  
38 State Police under section 3 of P.L.1983, c.403 (C.39:2-9.3), who  
39 has attained the age of 55 years, shall be retired forthwith on the  
40 first day of the next calendar month following the effective date  
41 of this 1985 amendatory act. Any member of the retirement  
42 system so retired shall receive a service retirement allowance  
43 pursuant to this section or section 27 of P.L.1965, c.89

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 3, 1993.

- 1 (C.53:5A-27), as appropriate.
- 2 d. Any member of the retirement system as of the effective  
3 date of this act who is required to retire pursuant to subsection c.  
4 of this section shall be entitled to continued health benefits  
5 coverage during retirement as provided in the "New Jersey State  
6 Health Benefits Program Act," P.L.1961, c.49 (C.52:14-17.25 et  
7 seq.). Notwithstanding the provisions of section 8 of P.L.1961,  
8 c.49 (C.52:14-17.32), the State shall pay the premium or periodic  
9 charge for the benefits provided to a member retiring under  
10 subsection c. of this section with fewer than 25 years of service  
11 credited in the retirement system, and his dependents covered  
12 under the program, but not including survivors.
- 13 e. Any member of the retirement system as of the effective  
14 date of this act who is required to retire pursuant to subsection c.  
15 of this section shall be entitled to the retirement allowance  
16 provided for by subsection b. of this section, notwithstanding that  
17 the member shall have fewer than 20 years' creditable service.
- 18 f. Any member of the retirement system as of the effective  
19 date of P.L.1985, c.175 who is required to retire pursuant to  
20 subsection c. of this section and who has more than 20 but less  
21 than 25 years of creditable service at the time of retirement  
22 shall be entitled to the retirement allowance provided for by  
23 subsection b. of this section plus [2%] 3% of his final  
24 compensation multiplied by the number of years of creditable  
25 service over 20 but not over 25.
- 26 g. Upon the receipt of proper proofs of the death of a member  
27 who has retired on a service retirement allowance, there shall be  
28 paid to the member's beneficiary an amount equal to one-half of  
29 the final compensation received by the member.  
30 (cf: P.L.1991, c.206, s.7)
- 31 2. Section 9 of P.L.1965, c.89 (C.53:5A-9) is amended to read  
32 as follows:
- 33 9. a. Upon the written application by a member in service, by  
34 one acting in his behalf or by the State, any member, under 55  
35 years of age, who has had four or more years of creditable  
36 service as a State policeman or four or more years of creditable  
37 service as a person formerly employed by the Division of Motor  
38 Vehicles or the Division of State Police prior to appointment as  
39 provided in section 3 of P.L.1983, c.403 (C.39:2-9.3), may be  
40 retired, not less than one month next following the date of filing  
41 such application with the retirement system, on an ordinary  
42 disability retirement allowance; provided, that the medical board,  
43 after a medical examination of such member, shall certify that  
44 such member is mentally or physically incapacitated for the  
45 performance of his usual duty and of any other available duty in  
46 the Division of State Police which the Superintendent of State  
47 Police is willing to assign to him and that such incapacity is likely  
48 to be permanent and of such an extent that he should be retired.
- 49 b. Upon retirement for ordinary disability, a member shall  
50 receive an ordinary disability retirement allowance which shall  
51 consist of:
- 52 (1) An annuity which shall be the actuarial equivalent of his  
53 aggregate contributions; and
- 54 (2) A pension in the amount which, when added to the  
55 member's annuity, will provide a total retirement allowance of

1 1 1/2% of final compensation multiplied by his number of years of  
 2 creditable service, but in no event shall the total allowance be  
 3 less than 40% of final compensation.

4 c. Notwithstanding the provisions of subsection b. of this  
 5 section, a member of the retirement system who has more than  
 6 20 but less than 25 years of creditable service and who is required  
 7 to retire pursuant to subsection a. of this section upon application  
 8 by the State made on or after October 1, 1988, shall receive an  
 9 ordinary disability retirement allowance which shall consist of:

10 (1) An annuity which shall be the actuarial equivalent of the  
 11 member's aggregate contributions; and

12 (2) A pension in the amount which, when added to the  
 13 member's annuity, will provide a total retirement allowance of  
 14 50% of final compensation plus [2%] 3% of final compensation  
 15 multiplied by the number of years of creditable service over 20  
 16 but not over 25.

17 Any increase in the disability retirement allowance of a  
 18 member who was required to retire on or after October 1, 1988  
 19 and prior to the effective date of this amendatory and  
 20 supplementary act, P.L.1989, c.308, shall be retroactive to the  
 21 date of retirement.

22 d. Upon the receipt of proper proofs of the death of a member  
 23 who has retired on an ordinary disability retirement allowance,  
 24 there shall be paid to the member's beneficiary an amount equal  
 25 to three and one-half times the final compensation received by  
 26 the member in the last year of creditable service; provided,  
 27 however, that if such death shall occur after the member shall  
 28 have attained 55 years of age, the amount payable shall equal  
 29 one-half of such compensation instead of three and one-half  
 30 times such compensation.

31 (cf: P.L.1989, c.308, s.1)

32 13. (New section) a. The increase in retirement allowances  
 33 under the amendatory provisions of sections 1 and 2 of this act,  
 34 P.L. , c. (now pending before the Legislature as this bill)  
 35 shall be applicable to eligible persons who shall have retired  
 36 under sections 8 or 9 of P.L.1965, c. 89 (C.53:5A-8, 53:5A-9) on  
 37 or after January 1, 1992 and prior to the effective date of this  
 38 act, but shall be payable only with respect to amounts of those  
 39 allowances paid on and after the first day of the month following  
 40 the effective date of this act.

41 b. The provisions of section 7 of P.L.1969, c.169 (C.43:3B-8)  
 42 shall not apply to section 8 or section 9 of P.L.1965, c.89  
 43 (C.53:5A-8, 53:5A-9) as amended by P.L. , c. (now pending  
 44 before the Legislature as this bill), and the annual cost of living  
 45 adjustment received by retirants and beneficiaries under  
 46 P.L.1958, c.143 (C.43:3B-1 et seq.) as amended and supplemented  
 47 by P.L.1969, c.169 shall be calculated as of the date of  
 48 retirement of the member of the retirement system.<sup>1</sup>

49 <sup>1</sup>[3.] 4.<sup>1</sup> This act shall take effect immediately.

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54 Increases certain retirement benefits under State Police  
 55 Retirement System.

1 (2) A pension in the amount which, when added to the  
2 member's annuity, will provide a total retirement allowance of 1  
3 1/2% of final compensation multiplied by his number of years of  
4 creditable service, but in no event shall the total allowance be  
5 less than 40% of final compensation.

6 c. Notwithstanding the provisions of subsection b. of this  
7 section, a member of the retirement system who has more than  
8 20 but less than 25 years of creditable service and who is required  
9 to retire pursuant to subsection a. of this section upon application  
10 by the State made on or after October 1, 1988, shall receive an  
11 ordinary disability retirement allowance which shall consist of:

12 (1) An annuity which shall be the actuarial equivalent of the  
13 member's aggregate contributions; and

14 (2) A pension in the amount which, when added to the  
15 member's annuity, will provide a total retirement allowance of  
16 50% of final compensation plus [2%] 3% of final compensation  
17 multiplied by the number of years of creditable service over 20  
18 but not over 25.

19 Any increase in the disability retirement allowance of a  
20 member who was required to retire on or after October 1, 1988  
21 and prior to the effective date of this amendatory and  
22 supplementary act, P.L.1989, c.308, shall be retroactive to the  
23 date of retirement.

24 d. Upon the receipt of proper proofs of the death of a member  
25 who has retired on an ordinary disability retirement allowance,  
26 there shall be paid to the member's beneficiary an amount equal  
27 to three and one-half times the final compensation received by  
28 the member in the last year of creditable service; provided,  
29 however, that if such death shall occur after the member shall  
30 have attained 55 years of age, the amount payable shall equal  
31 one-half of such compensation instead of three and one-half  
32 times such compensation.

33 (cf: P.L.1989, c.308, s.1)

34 3. This act shall take effect immediately.

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#### STATEMENT

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39 This bill provides that any member of the State Police  
40 Retirement System (SPRS) as of the effective date of P.L.1985,  
41 c.175 (which mandated age 55 retirement) who is required to  
42 retire due to attaining age 55 and who has more than 20 but less  
43 than 25 years of creditable service at the time of retirement  
44 shall be entitled to a retirement allowance of 50% of final  
45 compensation plus 3%, rather than 2%, of final compensation  
46 multiplied by the number of years of creditable service over 20  
47 but not over 25. The bill also provides that an SPRS member who  
48 has more than 20 but less than 25 years of creditable service and  
49 who is required to retire upon application by the State on an  
50 ordinary disability retirement allowance shall receive a  
51 retirement allowance of 50% of final compensation plus 3%,  
52 rather than 2%, of final compensation multiplied by the number  
53 of years of creditable service over 20 but not over 25.

54 These changes would bring the retirement allowance of these

1 officers proportionately in line with the retirement allowance of  
2 officers retiring with 25 years of service and receiving 65% of  
3 final compensation as a retirement allowance.

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9 Increases certain retirement benefits under State Police  
Retirement System.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[FIRST REPRINT]

ASSEMBLY, No. 2309

STATE OF NEW JERSEY

DATED: NOVEMBER 15, 1993

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2309 (1R).

Assembly Bill No. 2309 (1R) increases retirement benefits for certain members of the State Police Retirement System (SPRS). It provides that any member of the SPRS, as of the effective date of P.L.1985, c.175 which mandated age 55 retirement, who is required to retire due to attaining age 55 and who has more than 20 but less than 25 years of creditable service at the time of retirement shall be entitled to a retirement allowance of 50% of final compensation plus 3%, rather than 2%, of final compensation multiplied by the number of years of creditable service over 20 but not over 25. The bill also provides that an SPRS member who has more than 20 but less than 25 years of creditable service and who is required to retire upon application by the State on an ordinary disability retirement allowance shall receive a retirement allowance of 50% of final compensation plus 3%, rather than 2%, of final compensation multiplied by the number of years of creditable service over 20 but not over 25.

In addition, any member of SPRS who retired on or after January 1, 1992 and prior to the effective date of this bill shall receive this increase in retirement benefits, but the increase would be applicable only to retirement benefits payable on or after the bill takes effect as law.

These changes would bring the retirement allowance of these officers proportionately in line with the retirement allowance of officers retiring with 25 years of service and receiving 65% of final compensation as a retirement allowance.

FISCAL IMPACT:

In the fiscal note to this bill, the Division of Pensions and Benefits estimated the present value liability at \$1.2 million, to be funded as part of the retirement system's normal liability. The State's share would increase as the employer's contribution rate is increased, which is estimated to be approximately \$119,000 for fiscal year 1995.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 2309**

with committee amendments

**STATE OF NEW JERSEY**

DATED: JUNE 3, 1993

The Assembly State Government Committee reports favorably and with committee amendments Assembly, No. 2309.

This bill provides that any member of the State Police Retirement System (SPRS) as of the effective date of P.L.1985, c.175 (which mandated age 55 retirement) who is required to retire due to attaining age 55 and who has more than 20 but less than 25 years of creditable service at the time of retirement shall be entitled to a retirement allowance of 50% of final compensation plus 3%, rather than 2%, of final compensation multiplied by the number of years of creditable service over 20 but not over 25. The bill also provides that an SPRS member who has more than 20 but less than 25 years of creditable service and who is required to retire upon application by the State on an ordinary disability retirement allowance shall receive a retirement allowance of 50% of final compensation plus 3%, rather than 2%, of final compensation multiplied by the number of years of creditable service over 20 but not over 25.

The bill also provides that any member of SPRS who retired on or after January 1, 1992 and prior to the effective date of this bill shall receive this increase in retirement benefits, but the increase would be applicable only to retirement benefits payable on or after the bill takes effect as law.

These changes would bring the retirement allowance of these officers proportionately in line with the retirement allowance of officers retiring with 25 years of service and receiving 65% of final compensation as a retirement allowance.

COMMITTEE AMENDMENTS

The committee adopted amendments to this bill to extend the eligibility for the increase in retirement benefits under the legislation to officers who retired on or after January 1, 1992 and prior to the effective date of this bill; the increase would, however, be applicable only to retirement benefits payable on or after the bill shall take effect as law.



SENATE LAW AND PUBLIC SAFETY COMMITTEE

STATEMENT TO

[FIRST REPRINT]

ASSEMBLY, No. 2309

STATE OF NEW JERSEY

DATED: DECEMBER 6, 1993

The Senate Law and Public Safety Committee reports favorably Assembly Bill No. 2309 (1R).

Assembly Bill No. 2309 (1R) increases retirement benefits for certain members of the State Police Retirement System (SPRS). Under the provisions of the bill, any member of the SPRS as of the effective date of P.L.1985, c.175 who is required to retire due to attaining age 55 and who has more than 20 but less than 25 years of creditable service at the time of retirement would be entitled to a retirement allowance of 50% of final compensation plus 3%, rather than 2%, of final compensation multiplied by the number of years of creditable service over 20 but not over 25. The bill also provides that an SPRS member who has more than 20 but less than 25 years of creditable service and who is required to retire upon application by the State on an ordinary disability retirement allowance would receive a retirement allowance of 50% of final compensation plus 3%, rather than 2%, of final compensation multiplied by the number of years of creditable service over 20 but not over 25.

In addition, any member of SPRS who retired on or after January 1, 1992 and prior to the effective date of this bill would receive this increase in retirement benefits, but the increase would be applicable only to retirement benefits payable on or after the bill's effective date.

These changes would bring the retirement allowance of these officers proportionately in line with the retirement allowance of officers retiring with 25 years of service and receiving 65% of final compensation as a retirement allowance.