

43:3B-1

LEGISLATIVE HISTORY CHECKLIST
Compiled by the NJ State Law Library

(State Police
Retirement-Benefits)

NJSA: 43:3B-1

LAWS OF: 1991 CHAPTER: 380

BILL NO: A2528

SPONSOR(S) Zangari

DATE INTRODUCED: Pre-Filed

COMMITTEE: ASSEMBLY: State Operation; Appropriations
SENATE: State Government

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: ASSEMBLY: June 10, 1991
SENATE: January 13, 1992

DATE OF APPROVAL: January 15, 1992

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes 11-29-90 & 4-29-91
SENATE: Yes

FISCAL NOTE: Yes

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

See newspaper clippings--attached

KBG/bas

P.L.1991, CHAPTER 380, approved January 15, 1992
1990 Assembly No. 2528

AN ACT concerning accidental death benefits under the State Police Retirement System of New Jersey, amending P.L.1965, c.89, and supplementing P.L.1958, c.143 (C.43:3B-1 et seq.).

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

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

14. a. Upon the death of a member in active service as a result of an accident met in the actual performance of duty at some definite time and place, and such death was not the result of the member's willful negligence, an accidental death benefit shall be payable if a report of the accident is filed in the office of the Division of State Police within 60 days next following the accident, but the board of trustees may waive such time limit, for a reasonable period, if in the judgment of the board the circumstances warrant such action. No such application shall be valid or acted upon unless it is filed in the office of the retirement system within 5 years of the date of such death.

b. Upon the receipt of proper proofs of the death of a member on account of which an accidental death benefit is payable, there shall be paid to the surviving spouse a pension of [50%] 70% of final compensation for the use of that spouse and children of the deceased, to continue for as long as the person qualifies as a "surviving spouse" for the purposes of this act; if there is no surviving spouse or in case the spouse dies or remarries, 20% of final compensation will be payable to one surviving child, 35% of final compensation to two surviving children in equal shares and if there be three or more children, 50% of final compensation will be payable to such children in equal shares.

If there is no surviving spouse or child, 25% of final compensation will be payable to one surviving parent or 40% of final compensation will be payable to two surviving parents in equal shares.

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

c. If there is no surviving spouse, child or parent, there shall

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.

be paid to any other beneficiary of the deceased member, his aggregate contributions at the time of death.

d. In no case shall the death benefits provided in subsection b. be less than that provided under subsection c.

e. In addition to the foregoing benefits payable under subsection a. or b., there shall also be paid in one sum to the member's beneficiary, an amount equal to 3 1/2 times final compensation.

f. (Deleted by amendment.)

g. (Deleted by amendment.)

h. In addition to the foregoing benefits, the State shall pay to the member's employer-sponsored health insurance program all health insurance premiums for the coverage of the member's surviving spouse and surviving children.

(cf: P.L.1989, c.271, s.2)

2. (New section) The provisions of section 7 of P.L.1969, c.169 (C.43:3B-8) shall not apply to section 14 of P.L.1965, c.89 (C.53:5A-14), as amended by section 1 of this amendatory and supplementary act, and the annual cost of living adjustment received by surviving spouses under P.L.1958, c.143 (C.43:3B-1 et seq.), as amended and supplemented by P.L.1969, c.169, shall be calculated as of the date of death of the member of the retirement system.

3. This act shall take effect immediately.

PUBLIC EMPLOYEE BENEFITS

Increases State Police Retirement System accidental death benefits for surviving spouses from 50% to 70% of final compensation.

1 be paid to any other beneficiary of the deceased member, his
2 aggregate contributions at the time of death.

3 d. In no case shall the death benefits provided in subsection b.
4 be less than that provided under subsection c.

5 e. In addition to the foregoing benefits payable under
6 subsection a. or b., there shall also be paid in one sum to the
7 member's beneficiary, an amount equal to 3 1/2 times final
8 compensation.

9 f. (Deleted by amendment.)

10 g. (Deleted by amendment.)

11 (cf: P.L.1985, c.355, s.3)

12 2. (New section) The provisions of section 7 of P.L.1969, c.169
13 (C.43:3B-8) shall not apply to section 14 of P.L.1965, c.89
14 (C.53:5A-14), as amended by section 1 of this amendatory and
15 supplementary act, and the annual cost of living adjustment
16 received by surviving spouses under P.L.1958, c.143 (C.43:3B-1 et
17 seq.), as amended and supplemented by P.L.1969, c.169, shall be
18 calculated as of the date of death of the member of the
19 retirement system.

20 3. This act shall take effect immediately.

21

22

STATEMENT

23

24 This bill amends the provisions of the statute governing the
25 pension payable to the surviving spouse of a member of the State
26 Police Retirement System (SPRS) who dies as the direct result of
27 a service-connected accident. Under the bill, this pension is to
28 be increased from 50% to 70% of the member's final
29 compensation. The bill provides that this increase in the
30 surviving spouse's pension shall not be subject to a provision of
31 the "Pension Adjustment Act" which terminates cost-of-living
32 increases to recipients of survivorship benefits who become
33 eligible for blanket increases in those benefits. There may be up
34 to 11 survivors who would qualify for this enhanced benefit.

35

36

37

PUBLIC EMPLOYEE BENEFITS

38

39 Increases State Police Retirement System accidental death
40 benefits for surviving spouses from 50% to 70% of final
41 compensation.

ASSEMBLY STATE OPERATIONS AND PERSONNEL
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2528

STATE OF NEW JERSEY

DATED: NOVEMBER 29, 1990

The Assembly State Operations and Personnel Committee reports favorably Assembly Bill No. 2528.

This bill provides that the pension payable to the surviving spouse of a member of the State Police Retirement System (SPRS) who dies as the direct result of a service-connected accident shall be increased from 50% to 70% of the member's final compensation. The bill provides that this increase in the pension shall not be subject to a provision of the "Pension Adjustment Act" which terminates cost-of-living increases to recipients of survivorship benefits who become eligible for blanket increases in those benefits. There are currently 13 survivors who would qualify for this enhanced benefit.

This bill was pre-filed for introduction in the 1990 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2528

STATE OF NEW JERSEY

DATED: APRIL 29, 1991

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2528.

Assembly Bill No. 2528 increases from 50 percent to 70 percent of final compensation the pension payable to the surviving spouse of a member of the State Police Retirement System (SPRS) who dies as the direct result of a service connected accident. The bill provides that this increase in the pension shall not be subject to a provision of the "Pension Adjustment Act" which terminates cost-of-living increases to recipients of survivorship benefits who become eligible for blanket increases in those benefits.

This bill was recommended by the Sub-committee on Governmental Operations, Public Investments and Finance to the full committee on February 25, 1991.

FISCAL IMPACT

In a fiscal note prepared for this bill, the Division of Pensions estimated that it would increase SPRS costs by \$1.4 million, over the lifetime of eligible recipients. In addition, the cost of the Pension Adjustment Program will increase to the extent benefits are enhanced.

It should be noted that the division estimate assumed 11 eligible surviving spouses while the Assembly State Operations and Personnel Committee statement addressed 13 eligible surviving spouses.

SENATE STATE GOVERNMENT AND FEDERAL
AND INTERSTATE RELATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2528

STATE OF NEW JERSEY

DATED: DECEMBER 19, 1991

LAW LIBRARY COPY
DO NOT REMOVE

The Senate State Government and Federal and Interstate Relations Committee reports favorably Assembly, No. 2528.

This bill provides that the pension payable to the surviving spouse of a member of the State Police Retirement System (SPRS) who dies as the direct result of a service-connected accident shall be increased from 50% to 70% of the member's final compensation. It also stipulates that this increase in the pension shall not be subject to a provision of the "Pension Adjustment Act" which terminates cost-of-living increases to recipients of survivorship benefits who become eligible for blanket increases in those benefits.

FISCAL NOTE TO
ASSEMBLY, No. 2528
STATE OF NEW JERSEY

LAW LIBRARY COPY
DO NOT REMOVE

DATED: October 26, 1990

Assembly Bill No. 2528 of 1990 increases from 50 percent to 70 percent of final compensation the pension a qualifying surviving spouse of a member of the State Police Retirement System shall receive if the member is in active service and dies as a result of an accident met in the actual performance of duty. According to the sponsor's statement, there may be 11 surviving spouses who qualify for this enhanced benefit.

The Division of Pensions estimates the cost of enacting this legislation to be \$1.4 million. Based on the July 1989 valuation, the value of future benefits to be paid to beneficiaries of current active participants in the case of accidental death is \$2,398,000. Increasing the pension to a surviving spouse from 50 percent to 70 percent of final compensation means that the annual benefit is increased by 40 percent. A 40 percent increase in the amount of future benefits to be paid would cost \$959,000. The increased costs related to enhanced benefits for surviving spouses currently receiving a pension would have to be added to this amount. The division states that if there are 11 surviving spouses receiving this benefit at the present time, the cost of a 40 percent increase over half of their expected lifetimes is approximately \$430,000. When the cost of future and current benefit enhancements are added together, the cost of enacting this legislation is \$1.4 million.

The division states that under the current formula of 50 percent of final compensation and using an average compensation of \$37,026 as of the 1989 valuation, the annual benefit paid to a surviving spouse would be \$18,513. At 70 percent of final compensation, the annual benefit would be \$25,918. In addition, a member's beneficiary receives a lump sum death benefit of 3½ times final compensation.

The division also states that the cost of the Pension Adjustment Program will increase to the extent benefits are enhanced.

The Office of Legislative Services concurs but notes that the value of future benefits to be paid to beneficiaries includes amounts to be paid to eligible surviving children and parents as well as to eligible surviving spouses. Since the percentages of final compensation payable to eligible surviving children and parents are not increased by this legislation, the cost of future benefits may not increase by a full 40 percent.

This fiscal note has been prepared pursuant to P.L.1980, c.67.