

# 39:4-8

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2001                    **CHAPTER:** 119  
**NJSA:** 39:4-8                    (In street pedestrian right-of-way)  
**BILL NO:** A1325                    (Substituted for S843)

**SPONSOR(S):** Augustine and Bagger

**DATE INTRODUCED:** January 11, 2000

**COMMITTEE:**                    **ASSEMBLY:** Transportation

**SENATE:** ----

**AMENDED DURING PASSAGE:** Yes

**DATE OF PASSAGE:**                    **ASSEMBLY:** June 26, 2000

**SENATE:** May 14, 2001

**DATE OF APPROVAL:** June 26, 2001

### FOLLOWING ARE ATTACHED IF AVAILABLE:

**FINAL TEXT OF BILL** (Original version of bill enacted)

#### A1325

**SPONSORS STATEMENT:** (Begins on page 4 of original bill)                    Yes

**COMMITTEE STATEMENT:**                    **ASSEMBLY:** Yes

**SENATE:** No

**FLOOR AMENDMENT STATEMENTS:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

#### S843

**SPONSORS STATEMENT:** (Begins on page 4 of original bill)                    Yes

Bill and Sponsors Statement identical to A1325

**COMMITTEE STATEMENT:**

**ASSEMBLY:** No

**SENATE:** Yes

Identical to Assembly Statement for A1325

**FLOOR AMENDMENT STATEMENTS:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** Yes

**FOLLOWING WERE PRINTED:**

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**REPORTS:** No

**HEARINGS:** No

**NEWSPAPER ARTICLES:** No

**ASSEMBLY, No. 1342**

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**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

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PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

**Sponsored by:**

**Assemblyman ALAN M. AUGUSTINE**

**District 22 (Middlesex, Morris, Somerset and Union)**

**SYNOPSIS**

Adds pop-up survivor option to TPAF and PERS retirement allowance options.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning retirement allowance options in the Teachers'  
2 Pension and Annuity Fund and the Public Employees' Retirement  
3 System of New Jersey and amending N.J.S.18A:66-47 and  
4 P.L.1954, c.84.

5

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

8

9 1. N.J.S.18A:66-47 is amended to read as follows:

10 18A:66-47. At the time of [his] retirement a member shall receive  
11 [his] benefits in a retirement allowance payable throughout life, or  
12 [he] the member may on retirement elect to receive the actuarial  
13 equivalent of [his] the member's retirement allowance, in a lesser  
14 retirement allowance payable throughout life, with the provision that:

15 Option 1. If [he] the member dies before [he] the member has  
16 received in payments the present value of [his] the retirement  
17 allowance as it was at the time of [his] retirement, the balance shall  
18 be paid to [his] a legal representative or to such person as [he] the  
19 member shall nominate by written designation acknowledged and filed  
20 with the retirement system, either in lump sum or by equal payments  
21 over a period of years at the option of the payee. If the member shall  
22 have designated a natural person as a payee, said payee may elect to  
23 receive such payments in the form of a life annuity.

24 Option 2. Upon [his] the member's death, [his] the member's  
25 retirement allowance shall be continued throughout the life of and paid  
26 to such person as [he] the member shall nominate by written  
27 designation duly acknowledged and filed with the retirement system at  
28 the time of [his] retirement.

29 Option 3. Upon [his] the member's death, one-half of [his] the  
30 member's retirement allowance shall be continued throughout the life  
31 of and paid to such person as [he] the member shall nominate by  
32 written designation duly acknowledged and filed with the retirement  
33 system at the time of [his] retirement.

34 Option 4. Some other benefit or benefits shall be paid either to the  
35 member or to whomever [he] the member nominates, if such other  
36 benefit or benefits, together with the lesser retirement allowance, shall  
37 be certified by the actuary to be of equivalent actuarial value. In no  
38 case, however, shall the lesser retirement allowance be smaller than  
39 that provided under Option 2.

40 Option 5. Some other benefit, which is equivalent to the full  
41 amount, three-quarters, one-half or one-quarter of the member's  
42 retirement allowance, shall be paid to whomever the member  
43 nominates and if that nominee dies before the member, the member's  
44 retirement allowance shall increase to the maximum retirement  
45 allowance for the member's lifetime, provided that such other benefit

1 together with the member's lesser and maximum retirement allowances  
2 shall be certified by the actuary to be of equivalent actuarial value.

3 If the total amount of benefits paid to a retirant who does not elect  
4 to receive [his] benefits in the form of an optional settlement, or to  
5 the retirant and the designated beneficiary in the case of a retirant who  
6 does so elect, before the death of the retirant or the retirant and the  
7 beneficiary is less than the deductions accumulated in the retirant's  
8 account at the time of retirement, including regular interest, the  
9 balance shall be paid in one lump sum to the retirant's designated  
10 beneficiary or estate in the manner provided in N.J.S.18A:66-48.

11 Except in the case of members who have elected to receive (1) a  
12 deferred retirement allowance pursuant to [section] N.J.S.18A:66-36  
13 or (2) early retirement allowances pursuant to [section]  
14 N.J.S.18A:66-37 after separation from service pursuant to [section]  
15 N.J.S.18A:66-36, if a member dies within 30 days after the date of  
16 retirement or the date of board approval, whichever is later, [his] the  
17 member's retirement allowance shall not become effective and [he] the  
18 member shall be considered an active member at the time of death.  
19 However, if the member dies after the date the application for  
20 retirement was filed with the system, the retirement will become  
21 effective if:

- 22 a. (Deleted by amendment, P.L.1995, c.221);
- 23 b. (Deleted by amendment, P.L.1995, c.221);
- 24 c. The deceased member had designated a beneficiary under an  
25 optional settlement provided by this section; and
- 26 d. The surviving beneficiary requests in writing that the board  
27 make such a selection. Upon formal action by the board approving  
28 that request, the request shall become irrevocable.

29 The board may select an Option 3 settlement, on behalf of the  
30 beneficiary of a member who applied for and was eligible for  
31 retirement but who died prior to the effective date of the retirement  
32 allowance, if all of the above conditions, with the exception of c., are  
33 met.

34 (cf: P.L.1995, c.221, s.1)

35

36 2. Section 50 of P.L.1954, c.84 (C.43:15A-50) is amended to read  
37 as follows:

38 50. At the time of [his] retirement, a member shall receive [his]  
39 benefits in a retirement allowance payable throughout life, or [he] the  
40 member may, on retirement, elect to receive the actuarial equivalent  
41 of [his] the member's retirement allowance, in a lesser retirement  
42 allowance payable throughout life, with the provision that:

43 Option 1. If [he] the member dies before [he] the member has  
44 received in payments the present value of [his] the retirement  
45 allowance as it was at the time of [his] retirement, the balance shall

1 be paid to [his] a legal representative or to such person as [he] the  
2 member shall nominate by written designation acknowledged and filed  
3 with the retirement system, either in a lump sum or by equal payments  
4 over a period of years at the option of the payee. If the member shall  
5 have designated a natural person as the payee, said payee may elect to  
6 receive such payments in the form of a life annuity.

7 Option 2. Upon [his] the member's death, [his] the member's  
8 retirement allowance shall be continued throughout the life of and paid  
9 to such person as [he] the member shall nominate by written  
10 designation duly acknowledged and filed with the retirement system at  
11 the time of [his] retirement.

12 Option 3. Upon [his] the member's death, one-half of [his] the  
13 member's retirement allowance shall be continued throughout the life  
14 of and paid to such person as [he] the member shall nominate by  
15 written designation duly acknowledged and filed with the retirement  
16 system at the time of [his] retirement.

17 Option 4. Some other benefit or benefits shall be paid either to the  
18 member or to whomever [he] the member nominates, if such other  
19 benefit or benefits, together with the lesser retirement allowance, shall  
20 be certified by the actuary to be of equivalent actuarial value. In no  
21 case, however, shall the lesser retirement allowance be smaller than  
22 that provided under Option 2.

23 Option 5. Some other benefit, which is equivalent to the full  
24 amount, three-quarters, one-half or one-quarter of the member's  
25 retirement allowance, shall be paid to whomever the member  
26 nominates and if that nominee dies before the member, the member's  
27 retirement allowance shall increase to the maximum retirement  
28 allowance for the member's lifetime, provided that such other benefit  
29 together with the member's lesser and maximum retirement allowances  
30 shall be certified by the actuary to be of equivalent actuarial value.

31 If the total amount of benefits paid to a retirant who does not elect  
32 to receive [his] benefits in the form of an optional settlement, or to  
33 the retirant and the designated beneficiary in the case of a retirant who  
34 does so elect, before the death of the retirant or the retirant and the  
35 beneficiary is less than the deductions accumulated in the retirant's  
36 account at the time of retirement, including regular interest, the  
37 balance shall be paid in one lump sum to the retirant's designated  
38 beneficiary or estate in the manner provided in section 51 of P.L.1954,  
39 c.84 (C.43:15A-51).

40 Except in the case of members who have elected to receive (1) a  
41 deferred retirement allowance pursuant to section 38 of P.L.1954, c.84  
42 (C.43:15A-38) or (2) early retirement allowances pursuant to  
43 subsection b. of section 41 of P.L.1954, c.84 (C.43:15A-41) after  
44 separation from service pursuant to section 38, if a member dies within  
45 30 days after the date of retirement or the date of board approval,

1 whichever is later, [his] the member's retirement allowance shall not  
2 become effective and [he] the member shall be considered an active  
3 member at the time of death. However, if the member dies after the  
4 date the application for retirement was filed with the system, the  
5 retirement will become effective if:

- 6 a. (Deleted by amendment, P.L.1995, c.221);
- 7 b. (Deleted by amendment, P.L.1995, c.221);
- 8 c. The deceased member had designated a beneficiary under an  
9 optional settlement provided by this section; and
- 10 d. The surviving beneficiary requests in writing that the board  
11 make such a selection. Upon formal action by the board approving  
12 that request, the request shall be irrevocable.

13 The board may select an Option 3 settlement, on behalf of the  
14 beneficiary of a member who applied for and was eligible for  
15 retirement but who died prior to the effective date of the retirement  
16 allowance, if all of the above conditions, with the exception of c., are  
17 met.

18 (cf: P.L.1995, c.221, s.2)

19

20 3. This act shall take effect immediately but shall be inoperative  
21 until the 30th day after enactment.

22

23

24

#### STATEMENT

25

26 This bill provides an additional option for payment of a retirement  
27 allowance to members of the Teachers' Pension and Annuity Fund  
28 (TPAF) and the Public Employees' Retirement System (PERS).

29 Under current law, at the time of retirement, TPAF and PERS  
30 members may choose to receive a maximum retirement allowance  
31 providing the highest payment for the retiree's lifetime and no survivor  
32 benefit; a reduced retirement allowance based upon an initial reserve  
33 which is set aside and reduced each month by the amount of the  
34 allowance, with the balance of the reserve, if any, paid to a beneficiary  
35 or beneficiaries after the retiree's death (Option 1); a retirement  
36 allowance actuarially reduced to provide that same monthly allowance  
37 after the retiree's death to a single beneficiary for the remainder of the  
38 beneficiary's lifetime (Option 2); a retirement allowance actuarially  
39 reduced to provide one-half of that allowance after the retiree's death  
40 to a single beneficiary for the remainder of the beneficiary's lifetime  
41 (Option 3); or a retirement allowance actuarially reduced to provide  
42 a fixed survivor's annuity after the retiree's death to a beneficiary or  
43 beneficiaries for the remainder of a beneficiary's lifetime (Option 4).

44 Under Options 2, 3 and 4, if a beneficiary predeceases the retiree,  
45 the retiree's retirement allowance remains unchanged, and if the retiree  
46 and the beneficiary die before all of a member's pension contributions

1 plus interest are distributed, the remainder will be paid to a contingent  
2 beneficiary or the estate in a lump sum.

3 This bill provides that a TPAF or PERS member may also choose  
4 a retirement allowance actuarially reduced to provide to a beneficiary  
5 an allowance equivalent to the full amount, three-quarters, one-half or  
6 one-quarter of that reduced allowance, but if the beneficiary dies  
7 before the retiree, the retiree's allowance will increase to a maximum  
8 amount. The total benefit under this "pop-up survivor option" will be  
9 calculated and certified by the actuary to be of equivalent actuarial  
10 value to the member's maximum retirement allowance payable  
11 throughout life.



# ASSEMBLY STATE GOVERNMENT COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 1342

# STATE OF NEW JERSEY

DATED: MARCH 23, 2000

The Assembly State Government Committee reports favorably Assembly, No. 1342.

This bill provides an additional option for payment of a retirement allowance to members of the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS).

Under current law, at the time of retirement, TPAF and PERS members may choose to receive a maximum retirement allowance providing the highest payment for the retiree's lifetime and no survivor benefit; a reduced retirement allowance based upon an initial reserve which is set aside and reduced each month by the amount of the allowance, with the balance of the reserve, if any, paid to a beneficiary or beneficiaries after the retiree's death (Option 1); a retirement allowance actuarially reduced to provide that same monthly allowance after the retiree's death to a single beneficiary for the remainder of the beneficiary's lifetime (Option 2); a retirement allowance actuarially reduced to provide one-half of that allowance after the retiree's death to a single beneficiary for the remainder of the beneficiary's lifetime (Option 3); or a retirement allowance actuarially reduced to provide a fixed survivor's annuity after the retiree's death to a beneficiary or beneficiaries for the remainder of a beneficiary's lifetime (Option 4).

Under Options 2, 3 and 4, if a beneficiary predeceases the retiree, the retiree's retirement allowance remains unchanged, and if the retiree and the beneficiary die before all of a member's pension contributions plus interest are distributed, the remainder will be paid to a contingent beneficiary or the estate in a lump sum.

This bill provides that, as a fifth option, a TPAF or PERS member may also choose a retirement allowance actuarially reduced to provide to a beneficiary an allowance equivalent to the full amount, three-quarters, one-half or one-quarter of that reduced allowance, but if the beneficiary dies before the retiree, the retiree's allowance will increase to a maximum amount. The total benefit under this "pop-up survivor option" will be calculated and certified by the actuary to be of equivalent actuarial value to the member's maximum retirement allowance payable throughout life.

This bill was prefiled for introduction in the 2000-2001 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.

# ASSEMBLY, No. 1342

## STATE OF NEW JERSEY 209th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

**Sponsored by:**

**Assemblyman ALAN M. AUGUSTINE**

**District 22 (Middlesex, Morris, Somerset and Union)**

**Co-Sponsored by:**

**Assemblyman Conaway**

**SYNOPSIS**

Adds pop-up survivor option to TPAF and PERS retirement allowance options.

**CURRENT VERSION OF TEXT**

As reported by the Assembly State Government Committee with technical review.



**(Sponsorship Updated As Of: 5/12/2000)**

1 AN ACT concerning retirement allowance options in the Teachers'  
2 Pension and Annuity Fund and the Public Employees' Retirement  
3 System of New Jersey and amending N.J.S.18A:66-47 and  
4 P.L.1954, c.84.

5

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

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9 1. N.J.S.18A:66-47 is amended to read as follows:

10 18A:66-47. At the time of [his] retirement a member shall receive  
11 [his] benefits in a retirement allowance payable throughout life, or  
12 [he] the member may on retirement elect to receive the actuarial  
13 equivalent of [his] the member's retirement allowance, in a lesser  
14 retirement allowance payable throughout life, with the provision that:

15 Option 1. If [he] the member dies before [he] the member has  
16 received in payments the present value of [his] the retirement  
17 allowance as it was at the time of [his] retirement, the balance shall  
18 be paid to [his] a legal representative or to such person as [he] the  
19 member shall nominate by written designation acknowledged and filed  
20 with the retirement system, either in lump sum or by equal payments  
21 over a period of years at the option of the payee. If the member shall  
22 have designated a natural person as a payee, said payee may elect to  
23 receive such payments in the form of a life annuity.

24 Option 2. Upon [his] the member's death, [his] the member's  
25 retirement allowance shall be continued throughout the life of and paid  
26 to such person as [he] the member shall nominate by written  
27 designation duly acknowledged and filed with the retirement system at  
28 the time of [his] retirement.

29 Option 3. Upon [his] the member's death, one-half of [his] the  
30 member's retirement allowance shall be continued throughout the life  
31 of and paid to such person as [he] the member shall nominate by  
32 written designation duly acknowledged and filed with the retirement  
33 system at the time of [his] retirement.

34 Option 4. Some other benefit or benefits shall be paid either to the  
35 member or to whomever [he] the member nominates, if such other  
36 benefit or benefits, together with the lesser retirement allowance, shall  
37 be certified by the actuary to be of equivalent actuarial value. In no  
38 case, however, shall the lesser retirement allowance be smaller than  
39 that provided under Option 2.

40 Option 5. Some other benefit, which is equivalent to the full  
41 amount, three-quarters, one-half or one-quarter of the member's  
42 retirement allowance, shall be paid to whomever the member

**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.

1 nominates and if that nominee dies before the member, the member's  
2 retirement allowance shall increase to the maximum retirement  
3 allowance for the member's lifetime, provided that such other benefit  
4 together with the member's lesser and maximum retirement allowances  
5 shall be certified by the actuary to be of equivalent actuarial value.

6 If the total amount of benefits paid to a retirant who does not elect  
7 to receive [his] benefits in the form of an optional settlement, or to  
8 the retirant and the designated beneficiary in the case of a retirant who  
9 does so elect, before the death of the retirant or the retirant and the  
10 beneficiary is less than the deductions accumulated in the retirant's  
11 account at the time of retirement, including regular interest, the  
12 balance shall be paid in one lump sum to the retirant's designated  
13 beneficiary or estate in the manner provided in N.J.S.18A:66-48.

14 Except in the case of members who have elected to receive (1) a  
15 deferred retirement allowance pursuant to [section] N.J.S.18A:66-36  
16 or (2) early retirement allowances pursuant to [section]  
17 N.J.S.18A:66-37 after separation from service pursuant to [section]  
18 N.J.S.18A:66-36, if a member dies within 30 days after the date of  
19 retirement or the date of board approval, whichever is later, [his] the  
20 member's retirement allowance shall not become effective and [he] the  
21 member shall be considered an active member at the time of death.  
22 However, if the member dies after the date the application for  
23 retirement was filed with the system, the retirement will become  
24 effective if:

- 25 a. (Deleted by amendment, P.L.1995, c.221);  
26 b. (Deleted by amendment, P.L.1995, c.221);  
27 c. The deceased member had designated a beneficiary under an  
28 optional settlement provided by this section; and  
29 d. The surviving beneficiary requests in writing that the board  
30 make such a selection. Upon formal action by the board approving  
31 that request, the request shall become irrevocable.

32 The board may select an Option 3 settlement, on behalf of the  
33 beneficiary of a member who applied for and was eligible for  
34 retirement but who died prior to the effective date of the retirement  
35 allowance, if all of the above conditions, with the exception of c., are  
36 met.

37 (cf: P.L.1995, c.221, s.1)

38

39 2. Section 50 of P.L.1954, c.84 (C.43:15A-50) is amended to read  
40 as follows:

41 50. At the time of [his] retirement, a member shall receive [his]  
42 benefits in a retirement allowance payable throughout life, or [he] the  
43 member may, on retirement, elect to receive the actuarial equivalent  
44 of [his] the member's retirement allowance, in a lesser retirement  
45 allowance payable throughout life, with the provision that:

1 Option 1. If [he] the member dies before [he] the member has  
2 received in payments the present value of [his] the retirement  
3 allowance as it was at the time of [his] retirement, the balance shall  
4 be paid to [his] a legal representative or to such person as [he] the  
5 member shall nominate by written designation acknowledged and filed  
6 with the retirement system, either in a lump sum or by equal payments  
7 over a period of years at the option of the payee. If the member shall  
8 have designated a natural person as the payee, said payee may elect to  
9 receive such payments in the form of a life annuity.

10 Option 2. Upon [his] the member's death, [his] the member's  
11 retirement allowance shall be continued throughout the life of and paid  
12 to such person as [he] the member shall nominate by written  
13 designation duly acknowledged and filed with the retirement system at  
14 the time of [his] retirement.

15 Option 3. Upon [his] the member's death, one-half of [his] the  
16 member's retirement allowance shall be continued throughout the life  
17 of and paid to such person as [he] the member shall nominate by  
18 written designation duly acknowledged and filed with the retirement  
19 system at the time of [his] retirement.

20 Option 4. Some other benefit or benefits shall be paid either to the  
21 member or to whomever [he] the member nominates, if such other  
22 benefit or benefits, together with the lesser retirement allowance, shall  
23 be certified by the actuary to be of equivalent actuarial value. In no  
24 case, however, shall the lesser retirement allowance be smaller than  
25 that provided under Option 2.

26 Option 5. Some other benefit, which is equivalent to the full  
27 amount, three-quarters, one-half or one-quarter of the member's  
28 retirement allowance, shall be paid to whomever the member  
29 nominates and if that nominee dies before the member, the member's  
30 retirement allowance shall increase to the maximum retirement  
31 allowance for the member's lifetime, provided that such other benefit  
32 together with the member's lesser and maximum retirement allowances  
33 shall be certified by the actuary to be of equivalent actuarial value.

34 If the total amount of benefits paid to a retirant who does not elect  
35 to receive [his] benefits in the form of an optional settlement, or to  
36 the retirant and the designated beneficiary in the case of a retirant who  
37 does so elect, before the death of the retirant or the retirant and the  
38 beneficiary is less than the deductions accumulated in the retirant's  
39 account at the time of retirement, including regular interest, the  
40 balance shall be paid in one lump sum to the retirant's designated  
41 beneficiary or estate in the manner provided in section 51 of P.L.1954,  
42 c.84 (C.43:15A-51).

43 Except in the case of members who have elected to receive (1) a  
44 deferred retirement allowance pursuant to section 38 of P.L.1954, c.84  
45 (C.43:15A-38) or (2) early retirement allowances pursuant to

1 subsection b. of section 41 of P.L.1954, c.84 (C.43:15A-41) after  
2 separation from service pursuant to section 38, if a member dies within  
3 30 days after the date of retirement or the date of board approval,  
4 whichever is later, ~~his~~ the member's retirement allowance shall not  
5 become effective and ~~he~~ the member shall be considered an active  
6 member at the time of death. However, if the member dies after the  
7 date the application for retirement was filed with the system, the  
8 retirement will become effective if:

- 9 a. (Deleted by amendment, P.L.1995, c.221);  
10 b. (Deleted by amendment, P.L.1995, c.221);  
11 c. The deceased member had designated a beneficiary under an  
12 optional settlement provided by this section; and  
13 d. The surviving beneficiary requests in writing that the board  
14 make such a selection. Upon formal action by the board approving  
15 that request, the request shall be irrevocable.

16 The board may select an Option 3 settlement, on behalf of the  
17 beneficiary of a member who applied for and was eligible for  
18 retirement but who died prior to the effective date of the retirement  
19 allowance, if all of the above conditions, with the exception of c., are  
20 met.

21 (cf: P.L.1995, c.221, s.2)

22

23 3. This act shall take effect immediately but shall be inoperative  
24 until the 30th day after enactment.

**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY, No. 1342**  
**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

DATED: MAY 18, 2000

**SUMMARY**

**Synopsis:** Adds pop-up survivor option to TPAF and PERS retirement allowance options.

**Type of Impact:** Minimal Additional Cost.

**Agencies Affected:** Division of Pensions and Benefits, Department of the Treasury.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Cost</b>	Minimal - See Comments Below		
<b>Local Cost</b>	Minimal - See Comments Below		

- ! Bill offers TPAF and PERS retirees a pop-up option for payment of a reduced retirement allowance which would increase should the designated survivor beneficiary predecease the retiree.
- ! Actuarially, the cost of the pop-up survivor option to TPAF or PERS is equivalent to the cost of any of the current options.
- ! Possible additional minimal administrative costs.

**BILL DESCRIPTION**

Assembly Bill No. 1342 of 2000 provides a pop-up survivor option for payment of a reduced retirement allowance to members of the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS).

Currently, TPAF and PERS members may choose to receive a maximum retirement allowance providing the highest payment for the retiree's lifetime and no survivor benefit; a reduced retirement allowance based upon an initial reserve which is set aside and reduced each month by the amount of the allowance, with the balance of the reserve, if any, paid to a

beneficiary or beneficiaries after the retiree's death; or one of three options with a retirement allowance actuarially reduced to provide a benefit to a surviving beneficiary.

The bill allows a TPAF or PERS member to choose a reduced retirement allowance with a benefit for a named survivor, but if that beneficiary dies before the retiree, the retiree's allowance will increase to a maximum amount.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None provided.

### ***OFFICE OF LEGISLATIVE SERVICES***

The bill provides that the total benefit under this pop-up survivor option will be calculated and certified by the actuary to be of equivalent actuarial value to the member's maximum retirement allowance payable throughout life. Each of the other options now available are also calculated to be equivalent to that same actuarial value.

Under the current options available, if a TPAF or PERS member chooses a retirement allowance actuarially reduced to provide an allowance to a beneficiary and that beneficiary predeceases the retiree, the retiree's retirement allowance remains unchanged. If all of the retiree's member contributions plus interest have been distributed, any State or local public employer's contributions obligated under the actuarial calculations to fund the survivor's benefit remain unused. Alternatively, if a retiree and the survivor beneficiary live longer than the calculated average, the total payout may exceed the actuarial value of the member's maximum retirement allowance payable throughout life. The actuarial assumptions, however, embrace a range of scenarios to minimize the difference between the projected liabilities and the actual liabilities of the retirement systems. Actuarial calculations of a retirement allowance under the pop-up survivor option would provide for the possibility of an increase, or pop-up, in the retirement allowance. Under any of the options, if both the retiree and the beneficiary die before all of a member's pension contributions plus interest are distributed, the remainder is paid to a contingent beneficiary or the estate in a lump sum.

In general, the cost of the pop-up survivor option to the systems is equivalent to the cost of any of the current options. From an actuarial point of view, therefore, the bill has no impact upon TPAF and PERS funding.

There may be some minimal additional administrative expenses associated with calculating and publicizing a new retirement option.

Section: *State Government*

Analyst: *Pamela Espenshade, Senior Counsel*

Approved: *Alan R. Kooney*  
*Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

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



# SENATE STATE GOVERNMENT COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 1342

# STATE OF NEW JERSEY

DATED: FEBRUARY 26, 2001

The Senate State Government Committee reports favorably Assembly Bill No. 1342.

This bill provides an additional option for payment of a retirement allowance to members of the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS). Under current law, at the time of retirement, TPAF and PERS members may choose to receive:

- a maximum retirement allowance providing the highest payment for the retiree's lifetime and no survivor benefit;
- a reduced retirement allowance based upon an initial reserve which is set aside and reduced each month by the amount of the allowance, with the balance of the reserve, if any, paid to a beneficiary or beneficiaries after the retiree's death (Option 1);
- a retirement allowance actuarially reduced to provide that same monthly allowance after the retiree's death to a single beneficiary for the remainder of the beneficiary's lifetime (Option 2);
- a retirement allowance actuarially reduced to provide one-half of that allowance after the retiree's death to a single beneficiary for the remainder of the beneficiary's lifetime (Option 3); or
- a retirement allowance actuarially reduced to provide a fixed survivor's annuity after the retiree's death to a beneficiary or beneficiaries for the remainder of a beneficiary's lifetime (Option 4).

Under Options 2, 3 and 4, if a beneficiary predeceases the retiree, the retiree's retirement allowance remains unchanged, and if the retiree and the beneficiary die before all of a member's pension contributions plus interest are distributed, the remainder will be paid to a contingent beneficiary or the estate in a lump sum.

This bill provides that, as a fifth option, a TPAF or PERS member may also choose a retirement allowance actuarially reduced to provide to a beneficiary an allowance equivalent to the full amount, three-quarters, one-half or one-quarter of that reduced allowance, but if the beneficiary dies before the retiree, the retiree's allowance will increase to a maximum amount. The total benefit under this "pop-up survivor option" will be calculated and certified by the actuary to be of equivalent actuarial value to the member's maximum retirement allowance payable throughout life.

According to the fiscal estimate to the bill, "the cost of the pop-up

survivor option to the systems is equivalent to the cost of any of the current options. From an actuarial point of view, therefore, the bill has no impact upon TPAF and PERS funding."

P.L. 2001, CHAPTER 120, *approved June 26, 2001*  
Assembly Bill No. 1342

1 **AN ACT** concerning retirement allowance options in the Teachers'  
2 Pension and Annuity Fund and the Public Employees' Retirement  
3 System of New Jersey and amending N.J.S.18A:66-47 and  
4 P.L.1954, c.84.

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

8

9 1. N.J.S.18A:66-47 is amended to read as follows:

10 18A:66-47. At the time of [his] retirement a member shall receive  
11 [his] benefits in a retirement allowance payable throughout life, or  
12 [he] the member may on retirement elect to receive the actuarial  
13 equivalent of [his] the member's retirement allowance, in a lesser  
14 retirement allowance payable throughout life, with the provision that:

15 Option 1. If [he] the member dies before [he] the member has  
16 received in payments the present value of [his] the retirement  
17 allowance as it was at the time of [his] retirement, the balance shall  
18 be paid to [his] a legal representative or to such person as [he] the  
19 member shall nominate by written designation acknowledged and filed  
20 with the retirement system, either in lump sum or by equal payments  
21 over a period of years at the option of the payee. If the member shall  
22 have designated a natural person as a payee, said payee may elect to  
23 receive such payments in the form of a life annuity.

24 Option 2. Upon [his] the member's death, [his] the member's  
25 retirement allowance shall be continued throughout the life of and paid  
26 to such person as [he] the member shall nominate by written  
27 designation duly acknowledged and filed with the retirement system at  
28 the time of [his] retirement.

29 Option 3. Upon [his] the member's death, one-half of [his] the  
30 member's retirement allowance shall be continued throughout the life  
31 of and paid to such person as [he] the member shall nominate by  
32 written designation duly acknowledged and filed with the retirement  
33 system at the time of [his] retirement.

34 Option 4. Some other benefit or benefits shall be paid either to the  
35 member or to whomever [he] the member nominates, if such other  
36 benefit or benefits, together with the lesser retirement allowance, shall  
37 be certified by the actuary to be of equivalent actuarial value. In no  
38 case, however, shall the lesser retirement allowance be smaller than  
39 that provided under Option 2.

40 Option 5. Some other benefit, which is equivalent to the full

**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.

1 amount, three-quarters, one-half or one-quarter of the member's  
2 retirement allowance, shall be paid to whomever the member  
3 nominates and if that nominee dies before the member, the member's  
4 retirement allowance shall increase to the maximum retirement  
5 allowance for the member's lifetime, provided that such other benefit  
6 together with the member's lesser and maximum retirement allowances  
7 shall be certified by the actuary to be of equivalent actuarial value.

8 If the total amount of benefits paid to a retirant who does not elect  
9 to receive [his] benefits in the form of an optional settlement, or to  
10 the retirant and the designated beneficiary in the case of a retirant who  
11 does so elect, before the death of the retirant or the retirant and the  
12 beneficiary is less than the deductions accumulated in the retirant's  
13 account at the time of retirement, including regular interest, the  
14 balance shall be paid in one lump sum to the retirant's designated  
15 beneficiary or estate in the manner provided in N.J.S.18A:66-48.

16 Except in the case of members who have elected to receive (1) a  
17 deferred retirement allowance pursuant to [section] N.J.S.18A:66-36  
18 or (2) early retirement allowances pursuant to [section]  
19 N.J.S.18A:66-37 after separation from service pursuant to [section]  
20 N.J.S.18A:66-36, if a member dies within 30 days after the date of  
21 retirement or the date of board approval, whichever is later, [his] the  
22 member's retirement allowance shall not become effective and [he] the  
23 member shall be considered an active member at the time of death.  
24 However, if the member dies after the date the application for  
25 retirement was filed with the system, the retirement will become  
26 effective if:

- 27 a. (Deleted by amendment, P.L.1995, c.221);  
28 b. (Deleted by amendment, P.L.1995, c.221);  
29 c. The deceased member had designated a beneficiary under an  
30 optional settlement provided by this section; and  
31 d. The surviving beneficiary requests in writing that the board  
32 make such a selection. Upon formal action by the board approving  
33 that request, the request shall become irrevocable.

34 The board may select an Option 3 settlement, on behalf of the  
35 beneficiary of a member who applied for and was eligible for  
36 retirement but who died prior to the effective date of the retirement  
37 allowance, if all of the above conditions, with the exception of c., are  
38 met.

39 (cf: P.L.1995, c.221, s.1)

40  
41 2. Section 50 of P.L.1954, c.84 (C.43:15A-50) is amended to read  
42 as follows:

43 50. At the time of [his] retirement, a member shall receive [his]  
44 benefits in a retirement allowance payable throughout life, or [he] the  
45 member may, on retirement, elect to receive the actuarial equivalent

1 of [his] the member's retirement allowance, in a lesser retirement  
2 allowance payable throughout life, with the provision that:

3 Option 1. If [he] the member dies before [he] the member has  
4 received in payments the present value of [his] the retirement  
5 allowance as it was at the time of [his] retirement, the balance shall  
6 be paid to [his] a legal representative or to such person as [he] the  
7 member shall nominate by written designation acknowledged and filed  
8 with the retirement system, either in a lump sum or by equal payments  
9 over a period of years at the option of the payee. If the member shall  
10 have designated a natural person as the payee, said payee may elect to  
11 receive such payments in the form of a life annuity.

12 Option 2. Upon [his] the member's death, [his] the member's  
13 retirement allowance shall be continued throughout the life of and paid  
14 to such person as [he] the member shall nominate by written  
15 designation duly acknowledged and filed with the retirement system at  
16 the time of [his] retirement.

17 Option 3. Upon [his] the member's death, one-half of [his] the  
18 member's retirement allowance shall be continued throughout the life  
19 of and paid to such person as [he] the member shall nominate by  
20 written designation duly acknowledged and filed with the retirement  
21 system at the time of [his] retirement.

22 Option 4. Some other benefit or benefits shall be paid either to the  
23 member or to whomever [he] the member nominates, if such other  
24 benefit or benefits, together with the lesser retirement allowance, shall  
25 be certified by the actuary to be of equivalent actuarial value. In no  
26 case, however, shall the lesser retirement allowance be smaller than  
27 that provided under Option 2.

28 Option 5. Some other benefit, which is equivalent to the full  
29 amount, three-quarters, one-half or one-quarter of the member's  
30 retirement allowance, shall be paid to whomever the member  
31 nominates and if that nominee dies before the member, the member's  
32 retirement allowance shall increase to the maximum retirement  
33 allowance for the member's lifetime, provided that such other benefit  
34 together with the member's lesser and maximum retirement allowances  
35 shall be certified by the actuary to be of equivalent actuarial value.

36 If the total amount of benefits paid to a retirant who does not elect  
37 to receive [his] benefits in the form of an optional settlement, or to  
38 the retirant and the designated beneficiary in the case of a retirant who  
39 does so elect, before the death of the retirant or the retirant and the  
40 beneficiary is less than the deductions accumulated in the retirant's  
41 account at the time of retirement, including regular interest, the  
42 balance shall be paid in one lump sum to the retirant's designated  
43 beneficiary or estate in the manner provided in section 51 of P.L.1954,  
44 c.84 (C.43:15A-51).

45 Except in the case of members who have elected to receive (1) a

1 deferred retirement allowance pursuant to section 38 of P.L.1954, c.84  
2 (C.43:15A-38) or (2) early retirement allowances pursuant to  
3 subsection b. of section 41 of P.L.1954, c.84 (C.43:15A-41) after  
4 separation from service pursuant to section 38, if a member dies within  
5 30 days after the date of retirement or the date of board approval,  
6 whichever is later, ~~his~~ the member's retirement allowance shall not  
7 become effective and ~~he~~ the member shall be considered an active  
8 member at the time of death. However, if the member dies after the  
9 date the application for retirement was filed with the system, the  
10 retirement will become effective if:

11 a. (Deleted by amendment, P.L.1995, c.221);

12 b. (Deleted by amendment, P.L.1995, c.221);

13 c. The deceased member had designated a beneficiary under an  
14 optional settlement provided by this section; and

15 d. The surviving beneficiary requests in writing that the board  
16 make such a selection. Upon formal action by the board approving  
17 that request, the request shall be irrevocable.

18 The board may select an Option 3 settlement, on behalf of the  
19 beneficiary of a member who applied for and was eligible for  
20 retirement but who died prior to the effective date of the retirement  
21 allowance, if all of the above conditions, with the exception of c., are  
22 met.

23 (cf: P.L.1995, c.221, s.2)

24

25 3. This act shall take effect immediately but shall be inoperative  
26 until the 30th day after enactment.

27

28

29

30

31 Adds pop-up survivor option to TPAF and PERS retirement allowance  
32 options.

## CHAPTER 120

**AN ACT** concerning retirement allowance options in the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System of New Jersey and amending N.J.S.18A:66-47 and P.L.1954, c.84.

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

1. N.J.S.18A:66-47 is amended to read as follows:

Teachers' retirement allowance options.

18A:66-47. At the time of retirement a member shall receive benefits in a retirement allowance payable throughout life, or the member may on retirement elect to receive the actuarial equivalent of the member's retirement allowance, in a lesser retirement allowance payable throughout life, with the provision that:

Option 1. If the member dies before the member has received in payments the present value of the retirement allowance as it was at the time of retirement, the balance shall be paid to a legal representative or to such person as the member shall nominate by written designation acknowledged and filed with the retirement system, either in lump sum or by equal payments over a period of years at the option of the payee. If the member shall have designated a natural person as a payee, said payee may elect to receive such payments in the form of a life annuity.

Option 2. Upon the member's death, the member's retirement allowance shall be continued throughout the life of and paid to such person as the member shall nominate by written designation duly acknowledged and filed with the retirement system at the time of retirement.

Option 3. Upon the member's death, one-half of the member's retirement allowance shall be continued throughout the life of and paid to such person as the member shall nominate by written designation duly acknowledged and filed with the retirement system at the time of retirement.

Option 4. Some other benefit or benefits shall be paid either to the member or to whomever the member nominates, if such other benefit or benefits, together with the lesser retirement allowance, shall be certified by the actuary to be of equivalent actuarial value. In no case, however, shall the lesser retirement allowance be smaller than that provided under Option 2.

Option 5. Some other benefit, which is equivalent to the full amount, three-quarters, one-half or one-quarter of the member's retirement allowance, shall be paid to whomever the member nominates and if that nominee dies before the member, the member's retirement allowance shall increase to the maximum retirement allowance for the member's lifetime, provided that such other benefit together with the member's lesser and maximum retirement allowances shall be certified by the actuary to be of equivalent actuarial value.

If the total amount of benefits paid to a retirant who does not elect to receive benefits in the form of an optional settlement, or to the retirant and the designated beneficiary in the case of a retirant who does so elect, before the death of the retirant or the retirant and the beneficiary is less than the deductions accumulated in the retirant's account at the time of retirement, including regular interest, the balance shall be paid in one lump sum to the retirant's designated beneficiary or estate in the manner provided in N.J.S.18A:66-48.

Except in the case of members who have elected to receive (1) a deferred retirement allowance pursuant to N.J.S.18A:66-36 or (2) early retirement allowances pursuant to N.J.S.18A:66-37 after separation from service pursuant to N.J.S.18A:66-36, if a member dies within 30 days after the date of retirement or the date of board approval, whichever is later, the member's retirement allowance shall not become effective and the member shall be considered an active member at the time of death. However, if the member dies after the date the application for retirement was filed with the system, the retirement will become effective if:

- a. (Deleted by amendment, P.L.1995, c.221);
- b. (Deleted by amendment, P.L.1995, c.221);
- c. The deceased member had designated a beneficiary under an optional settlement provided by this section; and
- d. The surviving beneficiary requests in writing that the board make such a selection. Upon formal action by the board approving that request, the request shall become irrevocable.

The board may select an Option 3 settlement, on behalf of the beneficiary of a member who applied for and was eligible for retirement but who died prior to the effective date of the retirement allowance, if all of the above conditions, with the exception of c., are met.

2. Section 50 of P.L.1954, c.84 (C.43:15A-50) is amended to read as follows:

C.43:15A-50 Public employee pension options.

50. At the time of retirement, a member shall receive benefits in a retirement allowance payable throughout life, or the member may, on retirement, elect to receive the actuarial equivalent of the member's retirement allowance, in a lesser retirement allowance payable throughout life, with the provision that:

Option 1. If the member dies before the member has received in payments the present value of the retirement allowance as it was at the time of retirement, the balance shall be paid to a legal representative or to such person as the member shall nominate by written designation acknowledged and filed with the retirement system, either in a lump sum or by equal payments over a period of years at the option of the payee. If the member shall have designated a natural person as the payee, said payee may elect to receive such payments in the form of a life annuity.

Option 2. Upon the member's death, the member's retirement allowance shall be continued throughout the life of and paid to such person as the member shall nominate by written designation duly acknowledged and filed with the retirement system at the time of retirement.

Option 3. Upon the member's death, one-half of the member's retirement allowance shall be continued throughout the life of and paid to such person as the member shall nominate by written designation duly acknowledged and filed with the retirement system at the time of retirement.

Option 4. Some other benefit or benefits shall be paid either to the member or to whomever the member nominates, if such other benefit or benefits, together with the lesser retirement allowance, shall be certified by the actuary to be of equivalent actuarial value. In no case, however, shall the lesser retirement allowance be smaller than that provided under Option 2.

Option 5. Some other benefit, which is equivalent to the full amount, three-quarters, one-half or one-quarter of the member's retirement allowance, shall be paid to whomever the member nominates and if that nominee dies before the member, the member's retirement allowance shall increase to the maximum retirement allowance for the member's lifetime, provided that such other benefit together with the member's lesser and maximum retirement allowances shall be certified by the actuary to be of equivalent actuarial value.

If the total amount of benefits paid to a retirant who does not elect to receive benefits in the form of an optional settlement, or to the retirant and the designated beneficiary in the case of a retirant who does so elect, before the death of the retirant or the retirant and the beneficiary is less than the deductions accumulated in the retirant's account at the time of retirement, including regular interest, the balance shall be paid in one lump sum to the retirant's designated beneficiary or estate in the manner provided in section 51 of P.L.1954, c.84 (C.43:15A-51).

Except in the case of members who have elected to receive (1) a deferred retirement allowance pursuant to section 38 of P.L.1954, c.84 (C.43:15A-38) or (2) early retirement allowances pursuant to subsection b. of section 41 of P.L.1954, c.84 (C.43:15A-41) after separation from service pursuant to section 38, if a member dies within 30 days after the date of retirement or the date of board approval, whichever is later, the member's retirement allowance shall not become effective and the member shall be considered an active member at the time of death. However, if the member dies after the date the application for retirement was filed with the system, the retirement will become effective if:

- a. (Deleted by amendment, P.L.1995, c.221);
- b. (Deleted by amendment, P.L.1995, c.221);
- c. The deceased member had designated a beneficiary under an optional settlement provided by this section; and
- d. The surviving beneficiary requests in writing that the board make such a selection. Upon formal action by the board approving that request, the request shall be irrevocable.

The board may select an Option 3 settlement, on behalf of the beneficiary of a member who applied for and was eligible for retirement but who died prior to the effective date of the retirement allowance, if all of the above conditions, with the exception of c., are met.

3. This act shall take effect immediately but shall be inoperative until the 30th day after



enactment.

Approved June 26, 2001.

PO BOX 004  
TRENTON, NJ 08625

*Office of the Governor*  
**NEWS RELEASE**

CONTACT: Rae Hutton  
609-777-2600

RELEASE: June 27 , 2001

Acting Governor Donald T. DiFrancesco has signed the following legislation:

**S-621**, sponsored by Senators John Matheussen (R-Camden/Gloucester), Norman Robertson (Essex/Passaic) and Anthony Bucco (R-Morris) and Assemblymembers John Kelly (R-Bergen/Essex/Passaic) and Arline Friscia (D-Middlesex), allows parents, children, spouses and siblings of illegal drug users, as well as employers of illegal drug users, medical facilities, insurers and persons injured by the drug users' actions to sue drug dealers for civil damages.

**S-647**, sponsored by Senator Joseph Kyriillos (R-Middlesex/Monmouth) and Assemblyman Joseph Azzolina (R-Middlesex/Monmouth) and Guy Gregg (R-Sussex/Hunterdon/Morris) permits the Director of the Division of Alcoholic Beverage Control to issue a special auction permit to a nonprofit organization operating solely for civic, religious, education, charitable, fraternal, social or recreational purposes.

The permit will cost \$100 and would entitle the nonprofit organization to sell at auction alcoholic beverages donated to it by a licensee.

**S-1382**, sponsored by Senator Robert Martin (R-Essex/Morris/Passaic) and Assemblymen Wilfredo Caraballo (D-Essex) and Kip Bateman (R-Morris/Somerset), revises rules concerning secured transactions by replacing Chapter 9 of the Uniform Commercial Code (UCC) with revised Chapter 9, as well as, conforming amendments to Chapters 1,2,2A,4,5,7 and 8 of the UCC.

**S-2123**, sponsored by Senator Raymond Lesniak (D-Union) and Assemblymen Neil Cohen(D-Union) and Joseph Impreveduto (D-Bergen/Hudson), increases the term of office of the mayor and the members of council from two years to four years in municipalities. Provides for a transitional three-year term of office for the mayor and members of council elected at the 2002 general election.

This bill also alters the term of office of mayor and member so council from three years to four years in towns.

**A-1325**, sponsored by Senator William Schluter (R-Warren/Hunterdon/Mercer) and Assemblymembers Richard Bagger (R-Middlesex/Morris/Somerset/Union) and the late Alan Augustine (R-Middlesex/Morris/Somerset/Union), allows a municipality or county to install pedestrian crossing right-of-way signs at a marked or unmarked crosswalk or at an intersection.

**A-1342**, sponsored by late Assemblyman Alan Augustine (R-Middlesex/Morris/Somerset/Union), provides that, as a fifth option, a Teachers' Pension and Annuity Fund (TPAF) or Public Employees' Retirement System (PERS) member may choose a retirement allowance actuarially reduced to provide to a beneficiary an allowance equivalent to the full amount, three-quarters, one-half or one-quarter of that reduced allowance, but if the beneficiary dies before the retiree, the retiree's allowance will increase to a maximum amount.

**A-2185**, sponsored by Senator Louis Bassano (R-Essex/Union) and John Singer (R-Burlington/Monmouth/Ocean) and Assemblymembers Leonard Lance (R-Warren/Hunterdon/Mercer) and Rose Maria Heck (R-Bergen), appropriates \$28,695,000 from the Developmental Disabilities' Waiting List Reduction and Human Services Facilities Construction Fund for the Department of Human Services. This money will be used for various projects within the divisions, including reducing the community services waiting list.

**A-2209**, sponsored by Senators Jack Sinagra (R-Middlesex) and Joseph Vitale (D-Middlesex) and Assemblymembers Carol Murphy (R-Essex/Morris/Passaic) and Samuel Thompson (R-Middlesex/Monmouth), provides that the period for which eligibility for Medicaid and KidCare benefits is determined shall be the maximum permitted under federal law, currently 12 months.

**A-2449**, sponsored by Assemblymen Michael Arnone (R-Monmouth) and Joseph Azzolina (R-Middlesex/Monmouth), permits sewerage authority or a utilities authority to rename itself as a "water reclamation authority" to more accurately reflect its activities and purposes.

**A-2523**, sponsored by Senators William Gormley (R-Atlantic) and Edward O'Connor (D-Hudson) and Assemblymen James Holzapfel (R-Monmouth/Ocean) and Peter Barnes (D-Middlesex), increases the penalty for persons who produce and sell false motor vehicle identification cards from a crime of the fourth degree to a crime of the third degree which is punishable by imprisonment for three to five years, a fine of up to \$15,000, or both.

**A-3622**, sponsored by Senators Walter Kavanaugh (R-Morris/Somerset) and Raymond Lesniak (D-Union) and Assemblymen John Wisniewski (D-Middlesex) and Samuel Thompson (R-Middlesex/Monmouth), provides that for the year 2001, 1) the day on which members of the State, county or municipal committee of a political party will take office, and the day on which the terms of members previously elected to each such committee will terminate, will be the day immediately following the day of the primary election for the general election and 2) the holding of the annual meeting of the State, county and municipal committees of a political party will occur no earlier than the day immediately following the day of the primary election and no later than the 21st day following such election.