

LEGISLATIVE HISTORY OF R.S. 18A:66-53
(Teachers Pension - Life insurance - Open enrollment)

COPY NO. 2

L. 1969, Chapter 179 - A557

March 10 - Introduced by Thomas & 3 others.

May 12 - Passed in Assembly.

May 15 - Passed in Senate.

October 29 - Approved, Chapter 179.

Not amended during passage.

Bill had statement (copy enclosed).

Governor made statement upon signing bill (copy enclosed)

This bill listed as an "NJEA bill" in:

974.905 New Jersey Education Association.
S35 School Legislation, no. 1,
Feb. 24, 1969, p. 3.

RSL/PC

DEPOSITORY COPY
Do Not Remove From Library

PROPERTY OF
NEW JERSEY STATE LIBRARY

185 W. State Street
Trenton, N. J.

ASSEMBLY, No. 557

STATE OF NEW JERSEY

INTRODUCED MARCH 10, 1969

By Assemblymen THOMAS, WILENTZ and BLACK

Referred to Committee on Education

AN ACT concerning the "Teachers' Pension and Annuity Fund-Social Security Integration Law" and amending section 18A:66-53 of the New Jersey Statutes.

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

1 1. Section 18A:66-53 of the New Jersey Statutes is amended to
2 read as follows:

3 18A:66-53. a. Each member who is a member on January 1, 1958
4 and each person who thereafter becomes a member will be eligible to
5 purchase the additional death benefit coverage hereinafter des-
6 cribed, provided that he selects such coverage within 1 year after
7 January 1, 1958 or after the effective date of membership, which-
8 ever date is later.

9 *b. Each member who is a member on the effective date of this*
10 *amendatory act, but for whom such additional death benefit cover-*
11 *age is not then in effect, shall, during the period stated below, also*
12 *be eligible to elect such additional death benefit coverage, provided*
13 *he (1) furnished satisfactory evidence of insurability, (2) on the*
14 *date of such election is actively at work and performing all his*
15 *regular duties at his customary place of employment and (3) agrees*
16 *to make such additional contribution as may be required by the*
17 *board of trustees by reason of the commencement of such member's*
18 *participation in the benefits of this section pursuant to this sub-*
19 *section b. Applications under this subsection shall be filed during*
20 *the period January 1, 1970 to March 31, 1970, both dates inclusive.*
21 *Benefits for a member applying under this subsection shall come*
22 *into effect on the later of (a) July 1, 1970 and (b) the date a re-*
23 *quired percentage of such members shall have applied for such*
24 *additional death benefit coverage. This required percentage shall*
25 *be fixed by the board of trustees. Any such percentage may be*

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

26 *made applicable to male or female members only or to other group-*
27 *ings as determined by the board of trustees.*

28 *c. No member who enrolls on and after July 1, 1970 for the addi-*
29 *tional death benefits coverage provided by this section shall be*
30 *eligible for the benefits described in subsections f and g if such*
31 *member retires with less than 10 years of participation in the pro-*
32 *gram.*

33 **[b.] d.** The board of trustees shall establish schedules of con-
34 tributions to be made by the members who elect to purchase the
35 additional death benefit coverage. Such contributions shall be so
36 computed that the contributions made by or on behalf of all covered
37 members in the aggregate shall be sufficient to provide for the cost
38 of the benefits established by subsections **[c.] e** and **[e.] g** of this
39 section. Such schedules of contributions shall be subject to adjust-
40 ment from time to time, by the board of trustees, as the need may
41 appear.

42 **[c.] e.** Upon the receipt of proper proofs of the death in service,
43 occurring on or after July 1, 1968, of any such member while cov-
44 ered for the additional death benefit coverage there shall be paid
45 to such member's beneficiary an amount equal to 2 times the com-
46 pensation received by the member in the last year of creditable
47 service; provided, that if such death in service shall occur on or
48 after July 1, 1968, and after the member has attained age 70,
49 the amount payable shall equal $\frac{1}{4}$ of the compensation received
50 by the member in the last year of creditable service instead of 2
51 times such compensation.

52 **[d.] f.** The board of trustees may also provide, effective as of
53 January 1, 1961, for additional death benefit coverage, as described
54 in subsection **[e.] g** of this section, for former members who are
55 receiving retirement allowances pursuant to the provisions of this
56 article, subject to the provisions hereinafter stated, and the board
57 may terminate such coverage at any time. The additional death
58 benefit coverage to be so provided shall be in accordance with rules
59 as determined by the board from time to time on the basis of dates
60 of retirement or other factors deemed appropriate by it. In no
61 event shall the additional death benefit coverage described in sub-
62 section **[e.] g** of this section apply to any former member receiving
63 a retirement allowance unless such member was covered by the
64 additional death benefits described in subsection **[c.] e** of this
65 section during the former member's last month of creditable serv-
66 ice. No contributions toward the cost of additional death benefit
67 coverage described in subsection **[e.] g** of this section shall be

68 required of a former member while he is receiving a retirement
69 allowance pursuant to the provisions of this article.

70 **[e.] g.** Upon receipt of proper proofs of the death, occurring on
71 or after July 1, 1968, of a former member who was covered for
72 the additional death benefit coverage pursuant to subsection **[d.]**
73 *f* of this section, there shall be paid to such former member's
74 beneficiary an amount equal to $\frac{1}{4}$ of the compensation received
75 by the former member in the last year of creditable service.

76 **[f.] h.** The contributions of a member for the additional death
77 benefit coverage shall be deducted from his compensation, but if
78 there is no compensation from which such contributions may be
79 deducted it shall be the obligation of the member, except as pro-
80 vided in subsection **[h.] i** of this section, to make such contributions
81 directly to the retirement system or as directed by the system;
82 provided, however, that no contributions shall be required while
83 a member remains in service after attaining age 70 but that his
84 employer shall be required to pay into the fund on his behalf in
85 such case an amount equal to the contributions otherwise required
86 by the board of trustees in accordance with this section.

87 **[g.] i.** Any other provisions of this article notwithstanding, the
88 contributions of a member for the additional death benefit cov-
89 erage under this section shall not be returnable to the member or
90 his beneficiary in any manner, or for any reason whatsoever, nor
91 shall any contributions made for the additional death benefit cover-
92 age be included in any annuity payable to any such member or
93 to his beneficiary.

94 **[h.] i.** For the purpose of this section, a member shall be deemed
95 to be in service (1) while he is disabled due to sickness or injury
96 arising out of or in the course of his employment as a teacher to
97 whom this article applies, is not engaged in any gainful occupation,
98 and is receiving or entitled to receive periodic benefits (including
99-100 any commutation of, or substitute for, such benefits) for loss of
101 time on account of such disability under or by reason of workmen's
102 compensation law, occupational disease law or similar legislation;
103 or (2) for a period of no more than 2 years while an official leave
104 of absence without pay if satisfactory evidence is presented to the
105 retirement system that such leave of absence without pay is due
106 to illness other than an illness to which (1) above applies. No
107 contributions for the optional death benefits provided by this sec-
108 tion shall be required of a member while he is deemed to be in
109 service pursuant to the above provisions of this subsection **[h.] i.**

110 **[i.] k.** All other provisions of this section notwithstanding, this

111 section and the benefits provided under this section shall not come
 112 into effect until a required percentage of the members shall have
 113 applied for the additional death benefit coverage under this section.
 114 This required percentage shall be fixed by the board of trustees.
 115 Any such percentage may be made applicable to male or female
 116 members only or to other groupings as determined by the board of
 117 trustees. Applications for such additional death benefit coverage
 118 shall be submitted to the system in such manner and upon such
 119 forms as the retirement system shall provide.

120 **[j.] l.** Any person becoming a member of the retirement system
 121 after benefits provided under this section shall have come into
 122 effect, who is, by sex or other characteristic, within the grouping
 123 to which the additional death benefit coverage under this section
 124 is applicable, for the first year of his membership in the retirement
 125 system shall be covered by the additional death benefit coverage
 126 provisions of this section with the benefit in the event of death,
 127 in the first year of membership only, being based upon contractual
 128 salary instead of compensation actually received and shall make
 129 contributions as fixed by the board of trustees during such period.
 130 Such member shall have the right to continue to be covered by
 131 the benefits of this section and to contribute therefor after his first
 132 year of membership has been completed. This subsection shall not
 133 apply in the case of such a member who has already attained his
 134 sixtieth birthday prior to becoming a member of the retirement
 135 system unless he shall furnish satisfactory evidence of insurability
 136 at the time of becoming a member.

1 2. This act shall take effect immediately.

STATEMENT

This bill provides a limited open enrollment period for the employee-paid optional life insurance program operated by the Teachers' Pension and Annuity Fund since 1958. At the present time approximately 25% of the members are not enrolled in the plan and are ineligible to enroll unless the proposed legislation is enacted. A large proportion of the group affected by this bill did not enroll when the plan was first offered and have had no opportunity to do so after the plan began in 1958.

The bill fully protects the interests of those who have been in the plan since its inception. Those wishing to enroll must (1) furnish satisfactory evidence of insurability, (2) be actively at work, and (3) agree to make contributions required. Benefits would also be conditional upon a required percentage of eligible members making application.

This bill would also limit the paid-up insurance benefits after retirement to members of the program who have 10 or more years of participation in the program. This limitation would be applicable to all new enrollees on and after July 1, 1970.

This bill has no cost to the State or local employers. Premium costs are fully paid by members.

FROM: Office of the Governor

FOR IMMEDIATE RELEASE: Wednesday
October 29, 1969

STATEMENT BY GOVERNOR RICHARD J. HUGHES

I am pleased to sign into law Assembly Bill No. 557, which will liberalize death benefits for more than 25,000 retired teachers. I am taking this action after careful consultation with the Commissioner of Education, Dr. Carl L. Marburger, who has urged me to sign Assembly Bill No. 557. He, like this Administration, has shown a consistent interest in the well-being of those teachers who have dedicated their lives to educating the students of New Jersey. It is a pleasure to authorize this latest addition to the many benefits which have been secured by this Administration for the 100,000 active and retired teachers of our State.

#