

43:6A-17.1

LEGISLATIVE HISTORY CHECKLIST

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(Judicial Retirement--
death benefits)

NJSA: 43:6A-17.1

LAWS OF: 1997 CHAPTER: 205

BILL NO: A2361

SPONSOR(S): Cohen and others

DATE INTRODUCED: September 19, 1996

COMMITTEE: ASSEMBLY: State Government
SENATE: State Management

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: ASSEMBLY: January 29, 1997
SENATE: June 19, 1997

DATE OF APPROVAL: August 14, 1997

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes
SENATE: Yes

FISCAL NOTE: Yes

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBP:pp

P.L. 1997, CHAPTER 205, *approved August 14, 1997*
Assembly, No. 2361

1 AN ACT concerning additional death benefit coverage for members of
2 the Judicial Retirement System and supplementing P.L.1973, c.140
3 (C.43:6A-1 et seq.).
4

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

8 1. a. Each member of the retirement system on the effective date
9 of P.L. , c. (C.) (now pending before the Legislature as
10 this bill) and each person who thereafter becomes a member will be
11 eligible to purchase the additional death benefit coverage hereinafter
12 described, provided the member selects such coverage within one year
13 after that effective date or after the effective date of membership,
14 whichever date is later.

15 b. A person becoming a member of the retirement system after the
16 effective date of P.L. , c. (C.) (now pending before the
17 Legislature as this bill) who on the date of becoming a member is less
18 than 60 years of age shall automatically be covered for such additional
19 death benefit coverage from the first day of membership on which the
20 person is actively at work and performing all regular duties at the
21 customary place of employment. Such automatic coverage shall
22 continue during the member's first year of membership, and during that
23 year the member shall make contributions as fixed by the retirement
24 system. Additional death benefit coverage for the member shall
25 continue in effect after the first year of membership on the continuance
26 of payment of the required contributions therefor.

27 c. A person becoming a member of the retirement system after the
28 effective date of P.L. , c. (C.) (now pending before the
29 Legislature as this bill) who on the date of becoming a member is 60
30 or more years of age may, within one year from the date of
31 membership, elect to purchase such additional death benefit coverage,
32 provided that the member furnishes satisfactory evidence of
33 insurability and on the date of such election is actively at work and
34 performing all regular duties at the customary place of employment.

35 d. Notwithstanding other provisions of this section relating to the
36 amount of death benefit applicable to a member who has acquired or
37 shall acquire additional death benefit coverage, the death benefit

1 payable in the event of death occurring on or after the effective date
2 of P.L. , c. (C.) (now pending before the Legislature as
3 this bill) and during the first year of membership shall be based upon
4 the member's annual base salary. The effective date of coverage of any
5 person electing to purchase additional death benefit coverage pursuant
6 to the provisions of subsections a. or c. of this section shall be the first
7 day of the month immediately following the date of such election
8 unless evidence of insurability is required as a condition of such
9 election in which event the effective date of coverage shall be the first
10 day of the month which immediately follows the later of (1) the date
11 of such election, or (2) the date such evidence is determined to be
12 satisfactory.

13 e. The State House Commission shall establish schedules of
14 contributions to be made by the members who elect to purchase the
15 additional death benefit coverage. Such contributions shall be so
16 computed that the contributions made by or on behalf of all covered
17 members in the aggregate shall be sufficient to provide for the cost of
18 the benefits provided under this section. Such schedules of
19 contributions shall be subject to adjustment from time to time by the
20 commission, as the need may appear.

21 f. Upon the receipt of proper proofs of the death in service of any
22 such member while covered for the additional death benefit coverage
23 there shall be paid to such person, if living, as the member shall have
24 nominated by written designation duly executed and filed with the
25 retirement system, otherwise to the executor or administrator of the
26 member's estate, an amount equal to one and one-half times the
27 compensation received by the member in the last year of creditable
28 service or some lesser amount as may be provided by the retirement
29 system and elected to purchase by the member.

30 g. The contributions of a member for the additional death benefit
31 coverage shall be deducted from the member's compensation, but if
32 there is no compensation from which such contributions may be
33 deducted it shall be the obligation of the member to make such
34 contributions directly to the retirement system or as directed by the
35 State House Commission.

36 h. Any other provision of P.L.1973, c.140 (C.43:6A-1 et seq.)
37 notwithstanding, the contributions of a member for the additional
38 death benefit coverage under this section shall not be returnable to the
39 member or the member's beneficiary in any manner, or for any reason
40 whatsoever, nor shall any contributions made for the additional death
41 benefit coverage be included in any annuity payable to any such
42 member or beneficiary.

43 i. A member who has elected to purchase the additional death
44 benefit coverage provided by this section may file with the retirement
45 system, and alter from time to time during the member's lifetime as
46 desired, a duly attested nomination of the payee of the death benefit

1 provided under this section. Such member may also file with the
2 retirement system, and alter from time to time during the member's
3 lifetime as desired, a request directing payment of said benefit in one
4 sum or in equal annual installments over a period of years or as a life
5 annuity. Any such nomination or request shall be made in writing on
6 a form satisfactory to the retirement system and shall be effective upon
7 receipt by the retirement system. Upon the death of such member, a
8 beneficiary to whom a benefit is payable in one sum may elect to
9 receive the amount payable in equal annual installments over a period
10 of years or as a life annuity. If more than one beneficiary is nominated
11 and the member has not specified their respective interests, the
12 beneficiaries shall share equally. If any beneficiary predeceases the
13 member, the interest of that beneficiary shall terminate and shall be
14 shared equally by such of the beneficiaries as survive the member
15 unless the member has made written request to the contrary in the
16 beneficiary nomination. Any amounts due for which there is no
17 beneficiary at the death of the member or beneficiary shall be payable
18 to the estate of the member or beneficiary.

19 j. All other provisions of this section notwithstanding, this section
20 and the benefits provided under this section shall not come into effect
21 until a required percentage of the members shall have applied for the
22 additional death benefit coverage under this section. This required
23 percentage shall be fixed by the State House Commission.
24 Applications for such additional death benefit coverage shall be
25 submitted to the secretary of the commission in such manner and upon
26 such forms as the commission shall provide.

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28 2. This act shall take effect immediately.

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STATEMENT

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33 This bill provides optional contributory insurance coverage to any
34 member of the Judicial Retirement System for a death benefit in an
35 amount equal to one and one-half times the member's compensation in
36 the final year of service. The terms of the coverage are similar to
37 those applicable to the optional contributory death benefit coverage
38 available to members of the Public Employees' Retirement System.

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43 _____
44 Provides for optional contributory death benefit coverage for members
of JRS.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2361

STATE OF NEW JERSEY

DATED: JANUARY 23, 1997

The Assembly State Government Committee reports favorably Assembly, No. 2361.

This bill provides optional contributory insurance coverage to any member of the Judicial Retirement System for a death benefit in an amount equal to one and one-half times the member's compensation in the final year of service. The terms of the coverage are similar to those applicable to the optional contributory death benefit coverage available to members of the Public Employees' Retirement System.

At its December 13, 1996 meeting, the Pension and Health Benefits Review Commission adopted a recommendation "that the Legislature enact A-2361 to provide judges with the opportunity to purchase additional life insurance at no cost to the State."

SENATE STATE MANAGEMENT, INVESTMENT AND
FINANCIAL INSTITUTIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2361

STATE OF NEW JERSEY

DATED: MAY 15, 1997

The Senate State Management, Investment and Financial Institutions Committee reports favorably Assembly Bill No. 2361.

This bill allows members of the Judicial Retirement System to purchase additional death benefit coverage in an amount equal to one and one-half times the member's compensation in the final year of service. The State House Commission shall establish schedules of contributions to be made by the members who elect to purchase the additional death benefit coverage. The contributions of a member for the additional death benefit coverage shall be deducted from the member's compensation.

At its December 13, 1996 meeting, the Pension and Health Benefits Review Commission adopted a recommendation "that the Legislature enact A-2361 to provide judges with the opportunity to purchase additional life insurance at no cost to the State."

LEGISLATIVE FISCAL ESTIMATE TO
ASSEMBLY, No. 2361
STATE OF NEW JERSEY

DATED: FEBRUARY 6, 1997

Assembly Bill No. 2361 of 1996 provides optional contributory insurance coverage to any member of the Judicial Retirement System for a death benefit in an amount equal to one and one-half times the member's compensation in the final year of service. The terms of the coverage are similar to those applicable to the optional contributory death benefit coverage available to members of the Public Employees' Retirement System.

The Office of Legislative Services notes that this benefit is similar to the optional contributory death benefit coverage available to members of the other State-administered retirement systems and because this benefit will be paid with employee contributions it will not result in additional costs to the State.

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.