

SENATE, No. 297

STATE OF NEW JERSEY

INTRODUCED MAY 9, 1955

By Mr. SHERSHIN

Referred to Committee on State, County and Municipal Government

AN ACT to amend "An act for the establishment of a police and firemen's retirement system for the police and firemen of a municipality, county or political subdivision thereof," approved May 23, 1944 (P. L. 1944, c. 255).

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

1 1. Section 13 of the act of which this act is amendatory is amended to
2 read as follows:

3 13. (1) The general administration and responsibility for the proper
4 operation of the retirement system and for making effective the provisions
5 of this act are hereby vested in a board of trustees which shall be organ-
6 ized immediately after 3 of the trustees provided for in this section have
7 qualified and taken the oath of office.

8 (2) The board shall consist of [5] 9 trustees as follows:

9 (a) [Two] Four members to be appointed by the Governor for a
10 term of 3 years, [1] 2 of whom shall be [an officer] officers of the State
11 of New Jersey, and [the other] 2 [of whom] who shall be [a] private
12 [citizen] citizens of the State of New Jersey who [is] are neither an
13 officer thereof nor a member of any police or fire department thereof.

14 (b) The State Treasurer, *ex officio*.

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

15 (c) ~~One~~ *Two* policemen and ~~1~~ *2* firemen who shall be members
16 of the system and who shall be elected by the members of the system
17 for a term of 4 years according to such rules and regulations as the
18 board of trustees shall adopt to govern such election; provided, how-
19 ever, that the term of office of the first 2 trustees so elected shall begin
20 immediately following their election and shall expire July 1, 1946, and
21 July 1, 1948, in the order named. *The term of the second policeman*
22 *trustee shall begin July 1, 1955, and expire on the same date as the*
23 *first policeman trustee. The term of the second fireman trustee shall*
24 *begin July 1, 1955, and expire on the same date as the first fireman trus-*
25 *tee. Thereafter the terms of the 2 policemen trustees shall run concur-*
26 *rently with each other for 4 years, and the terms of the 2 firemen trus-*
27 *tees shall run concurrently with each other for 4 years.*

28 (3) Each trustee shall, within 10 days after his appointment or election,
29 take an oath of office that, so far as it devolves upon him he will diligently
30 and honestly administer the affairs of the said board, and that he will not
31 knowingly violate or willingly permit to be violated any of the provisions of
32 the law applicable to the retirement system. Such oath shall be subscribed
33 by the member making it, and certified by the officer before whom it is taken,
34 and immediately filed in the office of the Secretary of State.

35 (4) If a vacancy occurs in the office of a trustee, the vacancy shall be
36 filled for the unexpired term in the same manner as the office was previ-
37 ously filled.

38 (5) The trustees shall serve without compensation, but they shall be re-
39 imbursed from the expense fund for all necessary expenses that they may
40 incur through service on the board.

41 (6) Each trustee shall be entitled to 1 vote in the board. ~~Three~~ *Five*
42 votes shall be necessary for a decision by the trustees at any meeting of
43 said board.

44 (7) Subject to the limitations of this act, the board of trustees shall,
45 from time to time, establish rules and regulations for the administration of

46 the funds created by this act and for the transaction of its business.

47 (8) The board of trustees shall elect from its membership a chairman
48 and shall by a majority vote of all its members appoint a secretary, who
49 may be, but need not be, 1 of its members. It shall engage such actuarial
50 and other service as shall be required to transact the business of the retire-
51 ment system. The compensation of all persons engaged by the board of
52 trustees, and all other expenses of the board necessary for the operation of
53 the retirement system shall be paid at such rates and in such amounts as
54 the board of trustees shall approve, from moneys in the expense fund.

55 (9) The board of trustees shall keep in convenient form such data as
56 shall be necessary for actuarial valuation of the various funds of the retire-
57 ment system, and for checking the experience of the system.

58 (10) The board of trustees shall keep a record of all of its proceedings
59 which shall be open to public inspection. It shall publish annually a report
60 showing the fiscal transactions of the retirement system for the preceding
61 year, the amount of the accumulated cash and securities of the system, and
62 the last balance sheet showing the financial condition of the system by means
63 of an actuarial valuation of the assets and liabilities of the retirement sys-
64 tem.

65 (11) The Attorney-General of the State of New Jersey shall be the legal
66 adviser of the board of trustees.

67 (12) The board of trustees shall designate a medical board to be com-
68 posed of 1, 2 or 3 physicians as the board shall designate who are not eligi-
69 ble to participate in the retirement system. If required, other physicians
70 may be employed to report on special cases. The medical board shall ar-
71 range for and pass upon all medical examinations required under the pro-
72 visions of this act, shall investigate all essential statements and certificates
73 by or on behalf of a member in connection with an application for disabil-
74 ity retirement, and shall report in writing to the board of trustees its con-
75 clusions and recommendations upon all matters referred to it.

76 (13) The board of trustees shall designate an actuary who shall be the
77 technical advisor of the board of trustees on matters regarding the opera-
78 tion of the funds created by the provisions of this act, and shall perform
79 such other duties as are required in connection therewith.

80 (14) Immediately after the establishment of the retirement system, the
81 actuary shall prepare and submit to the board of trustees the mortality and
82 service tables which he recommends to the board for adoption. Having re-
83 gard to such recommendation, the board shall adopt for the retirement sys-
84 tem such mortality and service tables as shall be deemed necessary, and
85 shall certify the rates of contribution payable under the provisions of this
86 act. At least once in each 5-year period following the establishment of the
87 system, the actuary shall make an actuarial investigation into the mortality,
88 service and compensation experience of the members and beneficiaries of
89 the retirement system, and, taking into account the results of such investi-
90 gation, the board of trustees shall adopt for the retirement system such
91 mortality, service and other tables as shall be deemed necessary and shall
92 certify the rates of contribution payable under the provisions of this act.

93 (15) The board of trustees from time to time shall set the rate of regu-
94 lar interest at such per centum rate compounded annually as shall be de-
95 termined by the board to be equitable in its judgment, both to members and
96 to the taxpayers of the State, such rate to be limited to a minimum of 2%
97 and a maximum of 4%, with the rate of 3% applicable until changed by the
98 board.

99 (16) On the basis of such tables as the board of trustees shall adopt
100 and regular interest, the actuary shall make an annual valuation of the as-
101 sets and liabilities of the funds of the system created by this act.

102 (17) The various funds created by this act shall be subject to the su-
103 pervision of the Department of Banking and Insurance of the State of New
104 Jersey.

105 (18) Each policeman or fireman member of the board of trustees shall
106 be entitled to time off from his municipal or county duty, with pay, during
107 the periods of his attendance upon regular meetings or to official business
108 of the retirement system, and such time off shall include reasonable travel
109 time required in connection therewith.

1 2. This act shall take effect immediately.

SPONSOR'S STATEMENT

The existing law provides for 1 policeman and 1 fireman in the membership of the 5-man board of trustees of the Police and Firemen's Retirement system of New Jersey. This bill would increase the membership of the board by adding 4 additional members of whom 1 would be an additional policeman and another an additional fireman, thus affording broader representation of these 2 municipal or county services throughout the State, as well as of the private citizens of the State, whose number will also be increased thereby. This bill will also give some relief to the policemen and firemen members of the board of trustees by affording them time off, with pay, for attendance upon the business of the board.

STATE OF NEW JERSEY
Executive Department

August 8, 1955

SENATE BILL NO. 297

To the Senate:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I am returning Senate Bill No. 297 herewith, for reconsideration and with my objections.

This bill would increase the membership of the board of trustees of the Police and Firemen's Retirement System from 5 to 9. Two of the additional members would be officers of the State and the other two would be another policeman and another fireman. The purpose of the measure is to insure representation by a policeman or fireman in the event one of such members is unable to attend a meeting.

The addition of two other State officers to the board of trustees, in addition to the State Treasurer, is unique and is not found in any of the other pension systems. I believe that these two additional members should be public citizens rather than State officials.

I find, also, that I must object to that portion of the bill which provides:

"Each policeman or fireman member of the board of trustees shall be entitled to time off from his municipal or county duty, with pay, during the periods of his attendance upon regular meetings or to official business of the retirement system, and such time off shall include reasonable travel time required in connection therewith."

The difficulty lies in the vagueness of the language "or to official business of the retirement system". This might well be thought by some to include broad activities, not truly necessary for the welfare of the system, with the result that the county or municipality could be burdened unreasonably with the expense of providing substitute personnel. The area of appropriate activity should be defined.

STATE OF NEW JERSEY
Executive Department

Senate Bill No. 297

- 2 -

Accordingly, I am returning Senate Bill No. 297 for reconsideration and with the recommendation that it be amended as follows:

On page 1, section 1, lines 10 and 11, delete the words "2 of whom shall be officers of the State of New Jersey, and 2".

On page 5, section 1, line 107, after the word "regular" insert "or special"; and after the word "meetings" insert "of the board of trustees or its duly appointed committees".

On page 5, section 1, lines 107 and 108, delete the words "or to official business of the retirement system".

Respectfully,

ROBERT B. MEYNER

GOVERNOR

(SEAL)

Attest:

ROBERT J. BURKHARDT

Secretary to the Governor

SENATE AMENDMENTS TO
SENATE, No. 297

STATE OF NEW JERSEY

ADOPTED AUGUST 15, 1955

Amend page 1, section 1, lines 10 and 11, delete the words "2 of whom shall be officers of the State of New Jersey, and 2".

Amend page 5, section 1, line 107, after the word "regular" insert "or special"; and after the word meetings" insert "of the board of trustees or its duly appointed committees".

Amend page 5, section 1, lines 107 and 108, delete the words "or to official business of the retirement system".

STATE OF NEW JERSEY

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Referred to Committee on State, County and Municipal Government

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7 qualified and taken the oath of office.

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109 *retirement system], and such time off shall include reasonable travel time*
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