

SENATE, No. 301

STATE OF NEW JERSEY 215th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2012 SESSION

Sponsored by:

Senator JOSEPH PENNACCHIO

District 26 (Essex, Morris and Passaic)

SYNOPSIS

Replaces TPAF, PERS, PFRS and SPRS accidental disability benefits with reduced work-related disability benefit; modifies JRS disability benefit.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



1 **AN ACT** concerning the accidental disability benefits for members
 2 of certain State-administered retirement systems, amending and
 3 repealing various parts of the statutory law, and supplementing
 4 P.L.1965, c.89 (C.53:5A-1 et seq.) and Title 43 of the Revised
 5 Statutes.

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

9
 10 1. N.J.S.18A:66-2 is amended to read as follows:

11 18A:66-2. As used in this article:

12 a. "Accumulated deductions" means the sum of all the
 13 amounts, deducted from the compensation of a member or
 14 contributed by or in behalf of the member, including interest
 15 credited to January 1, 1956, standing to the credit of the member's
 16 individual account in the annuity savings fund.

17 b. "Annuity" means payments for life derived from the
 18 accumulated deductions of a member as provided in this article.

19 c. "Beneficiary" means any person receiving a retirement
 20 allowance or other benefit as provided in this article.

21 d. (1) "Compensation" means the contractual salary, for
 22 services as a teacher as defined in this article, which is in
 23 accordance with established salary policies of the member's
 24 employer for all employees in the same position but shall not
 25 include individual salary adjustments which are granted primarily in
 26 anticipation of the member's retirement or additional remuneration
 27 for performing temporary or extracurricular duties beyond the
 28 regular school day or the regular school year.

29 (2) In the case of a person who becomes a member of the
 30 retirement system on or after July 1, 2007, "compensation" means
 31 the amount of the contractual salary equivalent to the annual
 32 maximum wage contribution base for Social Security, pursuant to
 33 the Federal Insurance Contributions Act, for services as a teacher as
 34 defined in this article, which is in accordance with established
 35 salary policies of the member's employer for all employees in the
 36 same position but shall not include individual salary adjustments
 37 which are granted primarily in anticipation of the member's
 38 retirement or additional remuneration for performing temporary or
 39 extracurricular duties beyond the regular school day or the regular
 40 school year. This paragraph shall not apply to a person who at the
 41 time of enrollment in the retirement system on or after July 1, 2007
 42 transfers service credit from another State-administered retirement
 43 system pursuant to N.J.S.18A:66-15.1, but shall apply to a former
 44 member of the retirement system who has been granted a retirement
 45 allowance and is reenrolled in the retirement system on or after July

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

 Matter underlined thus is new matter.

1 1, 2007 pursuant to N.J.S.18A:66-53.2 after becoming employed
2 again in a position that makes the person eligible to be a member of
3 the retirement system.

4 For the period of July 1, 2009 through June 30, 2011,
5 "contractual salary" for State employees shall include wage
6 increases under a collective negotiations agreement notwithstanding
7 that, by amendment to that collective negotiations agreement, the
8 effective date of the contractual increase has been deferred. For the
9 purpose of this paragraph, "State employee" means an employee in
10 the Executive Branch of State government of New Jersey.

11 e. "Employer" means the State, the board of education or any
12 educational institution or agency of or within the State by which a
13 teacher is paid.

14 f. (1) "Final compensation" means the average annual
15 compensation for which contributions are made for the three years
16 of creditable service in New Jersey immediately preceding the
17 member's retirement or death, or it shall mean the average annual
18 compensation for New Jersey service for which contributions are
19 made during any three fiscal years of his or her membership
20 providing the largest possible benefit to the member or the
21 member's beneficiary.

22 (2) In the case of a person who becomes a member of the
23 retirement system on or after the effective date of P.L.2010, c.1,
24 "final compensation" means the average annual compensation for
25 which contributions are made for the five years of creditable service
26 in New Jersey immediately preceding the member's retirement or
27 death, or it shall mean the average annual compensation for New
28 Jersey service for which contributions are made during any five
29 fiscal years of his or her membership providing the largest possible
30 benefit to the member or the member's beneficiary.

31 g. "Fiscal year" means any year commencing with July 1, and
32 ending with June 30, next following.

33 h. "Pension" means payments for life derived from
34 appropriations made by the State or employers to the Teachers'
35 Pension and Annuity Fund.

36 i. "Annuity reserve" means the present value of all payments
37 to be made on account of any annuity or benefit in lieu of an
38 annuity, granted under the provisions of this article, computed on
39 the basis of such mortality tables recommended by the actuary as
40 the board of trustees adopts, with regular interest.

41 j. "Pension reserve" means the present value of all payments to
42 be made on account of any pension or benefit in lieu of a pension
43 granted to a member from the Teachers' Pension and Annuity Fund,
44 computed on the basis of such mortality tables recommended by the
45 actuary as the board of trustees adopts, with regular interest.

- 1 k. "Present-entrant" means any member of the Teachers'
2 Pension and Annuity Fund who had established status as a "present-
3 entrant member" of said fund prior to January 1, 1956.
- 4 l. "Rate of contribution initially certified" means the rate of
5 contribution certified by the retirement system in accordance with
6 N.J.S.18A:66-29.
- 7 m. "Regular interest" shall mean interest as determined by the
8 State Treasurer, after consultation with the Directors of the
9 Divisions of Investment and Pensions, the board of trustees and the
10 actuary. It shall bear a reasonable relationship to the percentage rate
11 of earnings on investments based on the market value of assets but
12 shall not exceed the assumed percentage rate of increase applied to
13 salaries plus 3%, provided however that the board of trustees shall
14 not set the average percentage rate of increase applied to salaries
15 below 6%.
- 16 n. "Retirement allowance" means the pension plus the annuity.
- 17 o. "School service" means any service as a "teacher" as defined
18 in this section.
- 19 p. "Teacher" means any regular teacher, special teacher,
20 helping teacher, teacher clerk, principal, vice-principal, supervisor,
21 supervising principal, director, superintendent, city superintendent,
22 assistant city superintendent, county superintendent, State
23 Commissioner or Assistant Commissioner of Education, members
24 of the State Department of Education who are certificated,
25 unclassified professional staff and other members of the teaching or
26 professional staff of any class, public school, high school, normal
27 school, model school, training school, vocational school, truant
28 reformatory school, or parental school, and of any and all classes or
29 schools within the State conducted under the order and
30 superintendence, and wholly or partly at the expense of the State
31 Board of Education, of a duly elected or appointed board of
32 education, board of school directors, or board of trustees of the
33 State or of any school district or normal school district thereof, and
34 any persons under contract or engagement to perform one or more
35 of these functions. It shall also mean any person who serves, while
36 on an approved leave of absence from regular duties as a teacher, as
37 an officer of a local, county or State labor organization which
38 represents, or is affiliated with an organization which represents,
39 teachers as defined in this subsection. No person shall be deemed a
40 teacher within the meaning of this article who is a substitute
41 teacher. In all cases of doubt the board of trustees shall determine
42 whether any person is a teacher as defined in this article.
- 43 q. "Teachers' Pension and Annuity Fund," hereinafter referred
44 to as the "retirement system" or "system," is the corporate name of
45 the arrangement for the payment of retirement allowances and other
46 benefits under the provisions of this article, including the several
47 funds placed under said system. By that name all its business shall

1 be transacted, its funds invested, warrants for money drawn, and
2 payments made and all of its cash and securities and other property
3 held.

4 r. "Veteran" means any honorably discharged officer, soldier,
5 sailor, airman, marine or nurse who served in any Army, Air Force
6 or Navy of the Allies of the United States in World War I between
7 July 14, 1914, and November 11, 1918, or who served in any Army,
8 Air Force or Navy of the Allies of the United States in World War
9 II, between September 1, 1939, and September 2, 1945, and who
10 was inducted into such service through voluntary enlistment, and
11 was a citizen of the United States at the time of such enlistment, and
12 who did not, during or by reason of such service, renounce or lose
13 United States citizenship, and any officer, soldier, sailor, marine,
14 airman, nurse or army field clerk who has served in the active
15 military or naval service of the United States and has or shall be
16 discharged or released therefrom under conditions other than
17 dishonorable, in any of the following wars, uprisings, insurrections,
18 expeditions or emergencies, and who has presented to the retirement
19 system evidence of such record of service in form and content
20 satisfactory to said retirement system:

21 (1) The Indian wars and uprisings during any of the periods
22 recognized by the War Department of the United States as periods
23 of active hostility;

24 (2) The Spanish-American War between April 20, 1898, and
25 April 11, 1899;

26 (3) The Philippine insurrections and expeditions during the
27 periods recognized by the War Department of the United States as
28 of active hostility from February 4, 1899, to the end of 1913;

29 (4) The Peking relief expedition between June 20, 1900, and
30 May 27, 1902;

31 (5) The army of Cuban occupation between July 18, 1898, and
32 May 20, 1902;

33 (6) The army of Cuban pacification between October 6, 1906,
34 and April 1, 1909;

35 (7) The Mexican punitive expedition between March 14, 1916,
36 and February 7, 1917;

37 (8) The Mexican border patrol, having actually participated in
38 engagements against Mexicans between April 12, 1911, and June
39 16, 1919;

40 (9) World War I, between April 6, 1917, and November 11,
41 1918;

42 (10) World War II, between September 16, 1940, and December
43 31, 1946, who shall have served at least 90 days in such active
44 service, exclusive of any period of assignment (1) for a course of
45 education or training under the Army Specialized Training Program
46 or the Navy College Training Program, which course was a
47 continuation of a civilian course and was pursued to completion, or

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1 (2) as a cadet or midshipman at one of the service academies, any
2 part of which 90 days was served between said dates; provided that
3 any person receiving an actual service-incurred injury or disability
4 shall be classed as a veteran, whether or not that person has
5 completed the 90-day service as herein provided;

6 (11) Korean conflict on or after June 23, 1950, and on or prior to
7 January 31, 1955, who shall have served at least 90 days in such
8 active service, exclusive of any period of assignment (1) for a
9 course of education or training under the Army Specialized
10 Training Program or the Navy College Training Program, which
11 course was a continuation of a civilian course and was pursued to
12 completion, or (2) as a cadet or midshipman at one of the service
13 academies, any part of which 90 days was served between said
14 dates; provided that any person receiving an actual service-incurred
15 injury or disability shall be classed as a veteran, whether or not that
16 person has completed the 90-day service as herein provided; and
17 provided further that any member classed as a veteran pursuant to
18 this subsection prior to August 1, 1966, shall continue to be classed
19 as a veteran, whether or not that person completed the 90-day
20 service between said dates as herein provided;

21 (12) Lebanon crisis, on or after July 1, 1958, who has served in
22 Lebanon or on board any ship actively engaged in patrolling the
23 territorial waters of that nation for a period, continuous or in the
24 aggregate, of at least 14 days commencing on or before November
25 1, 1958 or the date of termination of that conflict, as proclaimed by
26 the President of the United States or Congress, whichever date of
27 termination is the latest, in such active service; provided, that any
28 person receiving an actual service-incurred injury or disability shall
29 be classed as a veteran whether or not that person has completed the
30 14 days' service as herein provided;

31 (13) Vietnam conflict, on or after December 31, 1960, and on or
32 prior to May 7, 1975, who shall have served at least 90 days in such
33 active service, exclusive of any period of assignment (1) for a
34 course of education or training under the Army Specialized
35 Training Program or the Navy College Training Program, which
36 course was a continuation of a civilian course and was pursued to
37 completion, or (2) as a cadet or midshipman at one of the service
38 academies, any part of which 90 days was served between said
39 dates; and exclusive of any service performed pursuant to the
40 provisions of section 511(d) of Title 10, United States Code,
41 pursuant to an enlistment in the Army National Guard or as a
42 reserve for service in the Army Reserve, Naval Reserve, Air Force
43 Reserve, Marine Corps Reserve, or Coast Guard Reserve; provided
44 that any person receiving an actual service-incurred injury or
45 disability shall be classed as a veteran, whether or not that person
46 has completed the 90-day service as herein provided;

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1 (14) Lebanon peacekeeping mission, on or after September 26,
2 1982, who has served in Lebanon or on board any ship actively
3 engaged in patrolling the territorial waters of that nation for a
4 period, continuous or in the aggregate, of at least 14 days
5 commencing on or before December 1, 1987 or the date of
6 termination of that mission, as proclaimed by the President of the
7 United States or Congress, whichever date of termination is the
8 latest, in such active service; provided, that any person receiving an
9 actual service-incurred injury or disability shall be classed as a
10 veteran whether or not that person has completed the 14 days'
11 service as herein provided;

12 (15) Grenada peacekeeping mission, on or after October 23,
13 1983, who has served in Grenada or on board any ship actively
14 engaged in patrolling the territorial waters of that nation for a
15 period, continuous or in the aggregate, of at least 14 days
16 commencing on or before November 21, 1983 or the date of
17 termination of that mission, as proclaimed by the President of the
18 United States or Congress, whichever date of termination is the
19 latest, in such active service; provided, that any person receiving an
20 actual service-incurred injury or disability shall be classed as a
21 veteran whether or not that person has completed the 14 days'
22 service as herein provided;

23 (16) Panama peacekeeping mission, on or after December 20,
24 1989 or the date of inception of that mission, as proclaimed by the
25 President of the United States or Congress, whichever date of
26 inception is earliest, who has served in Panama or on board any ship
27 actively engaged in patrolling the territorial waters of that nation for
28 a period, continuous or in the aggregate, of at least 14 days
29 commencing on or before January 31, 1990 or the date of
30 termination of that mission, as proclaimed by the President of the
31 United States or Congress, whichever date of termination is the
32 latest, in such active service; provided, that any person receiving an
33 actual service-incurred injury or disability shall be classed as a
34 veteran whether or not that person has completed the 14 days'
35 service as herein provided;

36 (17) Operation "Desert Shield/Desert Storm" mission in the
37 Arabian peninsula and the Persian Gulf, on or after August 2, 1990
38 or the date of inception of that operation, as proclaimed by the
39 President of the United States or Congress, whichever date of
40 inception is earliest, who has served in the Arabian peninsula or on
41 board any ship actively engaged in patrolling the Persian Gulf for a
42 period, continuous or in the aggregate, of at least 14 days
43 commencing on or before the date of termination of that mission, as
44 proclaimed by the President of the United States or Congress,
45 whichever date of termination is the latest, in such active service;
46 provided, that any person receiving an actual service-incurred injury

1 or disability shall be classed as a veteran whether or not that person
2 has completed the 14 days' service as herein provided;

3 (18) Operation Northern Watch and Operation Southern Watch,
4 on or after August 27, 1992, or the date of inception of that
5 operation, as proclaimed by the President of the United States,
6 Congress or United States Secretary of Defense, whichever date of
7 inception is earliest, who served in the theater of operation,
8 including in the Arabian peninsula and the Persian Gulf, and in
9 direct support of that operation for a period, continuously or in the
10 aggregate, of at least 14 days in such active service, commencing on
11 or before the date of termination of the operation, as proclaimed by
12 the President of the United States, Congress or United States
13 Secretary of Defense, whichever date of termination is latest;
14 provided, that any person receiving an actual service-incurred injury
15 or disability while engaged in such service shall be classed as a
16 veteran whether or not that person has completed the 14 days'
17 service as herein provided;

18 (19) Operation "Restore Hope" in Somalia, on or after December
19 5, 1992, or the date of inception of that operation as proclaimed by
20 the President of the United States or Congress, whichever date is
21 earliest, who has served in Somalia or on board any ship actively
22 engaged in patrolling the territorial waters of that nation for a
23 period, continuously or in the aggregate, of at least 14 days in such
24 active service commencing on or before March 31, 1994; provided
25 that any person receiving an actual service-incurred injury or
26 disability shall be classed as a veteran whether or not that person
27 has completed the 14-day service as herein provided;

28 (20) Operations "Joint Endeavor" and "Joint Guard" in the
29 Republic of Bosnia and Herzegovina, on or after November 20,
30 1995, who served in such active service in direct support of one or
31 both of the operations for at least 14 days, continuously or in the
32 aggregate, commencing on or before June 20, 1998, and (1) was
33 deployed in that nation or in another area in the region, or (2) was
34 on board a United States naval vessel operating in the Adriatic Sea,
35 or (3) operated in airspace above the Republic of Bosnia and
36 Herzegovina; provided that any person receiving an actual service-
37 incurred injury or disability shall be classed as a veteran whether or
38 not that person completed the 14-day service requirement;

39 (21) Operation "Enduring Freedom", on or after September 11,
40 2001, who served in a theater of operation and in direct support of
41 that operation for a period, continuously or in the aggregate, of at
42 least 14 days in such active service commencing on or before the
43 date the President of the United States or the United States
44 Secretary of Defense designates as the termination date of that
45 operation; provided, that any person receiving an actual service-
46 incurred injury or disability while engaged in such service shall be

1 classed as a veteran whether or not that person has completed the 14
2 days' service as herein provided; and

3 (22) Operation "Iraqi Freedom", on or after the date the President
4 of the United States or the United States Secretary of Defense
5 designates as the inception date of that operation, who served in
6 Iraq or in another area in the region in direct support of that
7 operation for a period, continuously or in the aggregate, of at least
8 14 days in such active service commencing on or before the date the
9 President of the United States or the United States Secretary of
10 Defense designates as the termination date of that operation;
11 provided, that any person receiving an actual service-incurred injury
12 or disability while engaged in such service shall be classed as a
13 veteran whether or not that person has completed the 14 days'
14 service as herein provided.

15 "Veteran" also means any honorably discharged member of the
16 American Merchant Marine who served during World War II and is
17 declared by the United States Department of Defense to be eligible
18 for federal veterans' benefits.

19 s. "Child" means a deceased member's unmarried child either
20 (a) under the age of 18 or (b) of any age who, at the time of the
21 member's death, is disabled because of mental retardation or
22 physical incapacity, is unable to do any substantial, gainful work
23 because of the impairment and the impairment has lasted or can be
24 expected to last for a continuous period of not less than 12 months,
25 as affirmed by the medical board.

26 t. (1) "Widower," for employees of the State, means the man to
27 whom a member was married, or a domestic partner as defined in
28 section 3 of P.L.2003, c.246 (C.26:8A-3), at least five years before
29 the date of her death and to whom she continued to be married or a
30 domestic partner until the date of her death and who was receiving
31 at least one-half of his support from the member in the 12-month
32 period immediately preceding the member's death or the accident
33 which was the direct cause of the member's death. The dependency
34 of such a widower will be considered terminated by marriage of, or
35 establishment of a domestic partnership by, the widower subsequent
36 to the death of the member. In the event of the payment of an
37 accidental death benefit, the five-year qualification shall be waived.

38 (2) Subject to the provisions of paragraph (3) of this subsection,
39 "widower," for employees of public employers other than the State,
40 means the man to whom a member was married at least five years
41 before the date of her death and to whom she continued to be
42 married until the date of her death and who was receiving at least
43 one-half of his support from the member in the 12-month period
44 immediately preceding the member's death or the accident which
45 was the direct cause of the member's death. The dependency of such
46 a widower shall be considered terminated by marriage of the
47 widower subsequent to the death of the member. In the event of the

1 payment of an accidental death benefit, the five-year qualification
2 shall be waived.

3 (3) A public employer other than the State may adopt a
4 resolution providing that the term "widower" as defined in
5 paragraph (2) of this subsection shall include domestic partners as
6 provided in paragraph (1) of this subsection.

7 u. (1) "Widow," for employees of the State, means the woman
8 to whom a member was married, or a domestic partner as defined in
9 section 3 of P.L.2003, c.246 (C.26:8A-3), at least five years before
10 the date of his death and to whom he continued to be married or a
11 domestic partner until the date of his death and who was receiving
12 at least one-half of her support from the member in the 12-month
13 period immediately preceding the member's death or the accident
14 which was the direct cause of the member's death. The dependency
15 of such a widow will be considered terminated by the marriage of,
16 or establishment of a domestic partnership by, the widow
17 subsequent to the member's death. In the event of the payment of an
18 accidental death benefit, the five-year qualification shall be waived.

19 (2) Subject to the provisions of paragraph (3) of this subsection,
20 "widow," for employees of public employers other than the State,
21 means the woman to whom a member was married at least five
22 years before the date of his death and to whom he continued to be
23 married until the date of his death and who was receiving at least
24 one-half of her support from the member in the 12-month period
25 immediately preceding the member's death or the accident which
26 was the direct cause of the member's death. The dependency of such
27 a widow shall be considered terminated by the marriage of the
28 widow subsequent to the member's death. In the event of the
29 payment of an accidental death benefit, the five-year qualification
30 shall be waived.

31 (3) A public employer other than the State may adopt a
32 resolution providing that the term "widower" as defined in
33 paragraph (2) of this subsection shall include domestic partners as
34 provided in paragraph (1) of this subsection.

35 v. "Parent" means the parent of a member who was receiving at
36 least one-half of the parent's support from the member in the 12-
37 month period immediately preceding the member's death or the
38 accident which was the direct cause of the member's death. The
39 dependency of such a parent will be considered terminated by
40 marriage of the parent subsequent to the death of the member.

41 w. "Medical board" means the board of physicians provided for
42 in N.J.S.18A:66-56.

43 x. (1) "Spouse," for employees of the State, means the husband
44 or wife, or domestic partner as defined in section 3 of P.L.2003,
45 c.246 (C.26:8A-3), of a member.

1 (2) Subject to the provisions of paragraph (1) of this subsection,
2 "spouse," for employees of public employers other than the State,
3 means the husband or wife of a member.

4 (3) A public employer other than the State may adopt a
5 resolution providing that the term "spouse" as defined in paragraph
6 (2) of this subsection shall include domestic partners as provided in
7 paragraph (1) of this subsection.

8 y. "Normal retirement age" means the age at which the member
9 is first eligible for a service retirement based on age under
10 N.J.S.18A:66-43.

11 (cf: P.L.2010, c.1, s.20)

12
13 2. N.J.S.18A:66-32.1 is amended to read as follows:

14 18A:66-32.1. a. If any member of the retirement system receives
15 periodic benefits payable under the workers' compensation law
16 during the course of his active service, in lieu of his normal
17 compensation, his regular salary deductions shall be paid to the
18 retirement system by his employer. Such payments shall be
19 computed, in accordance with N.J.S.18A:66-29, at the rate of
20 contribution on the base salary subject to the retirement system, just
21 prior to the receipt of the workers' compensation benefits. The
22 moneys paid by the employer shall be credited to the member's
23 account in the annuity savings fund and shall be treated as
24 employee contributions for all purposes. The employer will
25 terminate the payment of these moneys when the periodic benefits
26 payable under the workers' compensation law are terminated or
27 when the member retires.

28 The member for whom the employer is making such payments,
29 will be considered as if he were in the active service.

30 b. An application for retirement benefits may be approved by
31 the board of trustees while the member, applying for such benefits,
32 is in receipt of periodic benefits under the workers' compensation
33 law. If a retirant receiving a work-related disability retirement
34 allowance or an accidental disability retirement allowance approved
35 prior to the effective date of P.L. , c. (pending before the
36 Legislature as this bill) becomes a recipient of periodic benefits
37 under the workers' compensation law after the date of retirement,
38 the pension portion of the retirement allowance payable to the
39 retirant shall be reduced, during the period of the payment of the
40 periodic benefits, dollar-for-dollar in the amount of the periodic
41 benefits received after the date of retirement, subject to the
42 provisions of N.J.S. 18A:66-69. The reduction provided for herein
43 shall not affect the retirant's pension adjustment benefits or survivor
44 benefits that may be payable upon the death of the retirant.
45 Notwithstanding the provisions of R.S.34:15-26 and R.S.34:15-40,
46 the amount of the dollar-for-dollar reduction from the receipt of

1 workers' compensation periodic benefits shall not be reduced by a
2 payment for legal services or by receipt of a third party recovery.

3 If a work-related disability retirant or an accidental disability
4 retirant approved prior to the effective date of P.L. , c. (pending
5 before the Legislature as this bill) receives a retirement allowance
6 without reduction and periodic benefits under the workers'
7 compensation law for any period of time after the date of
8 retirement, the retirant shall repay to the retirement system the
9 amount of the pension portion of the retirement allowance which
10 should have been subject to reduction under this subsection. The
11 repayment may be in the form of a lump sum payment or scheduled
12 as deductions from the retirant's retirement allowance and pension
13 adjustment benefits. If the retirant dies before full repayment of the
14 amount required, the remaining balance shall be deducted from any
15 death benefits payable on behalf of the retirant.

16 (cf: P.L.1995, c.369, s.1)

17
18 3. N.J.S.18A:66-39 is amended to read as follows:

19 18A:66-39. a. **【Before June 9, 1971, a member, who shall have**
20 **been a teacher and a member of the retirement system for each of**
21 **the 10 years next preceding his retirement, shall, upon the**
22 **application of his employer or upon his own application or the**
23 **application of one acting in his behalf, be retired for ordinary**
24 **disability by the board of trustees, on a regular disability allowance**
25 **if he is under 60 years of age and on a service allowance if he has**
26 **reached or passed that age. The physician or physicians designated**
27 **by the board shall have first made a medical examination of him at**
28 **his residence or at any other place mutually agreed upon and shall**
29 **have certified to the board that the member is physically or**
30 **mentally incapacitated for the performance of duty and should be**
31 **retired】** (Deleted by amendment, P.L. , c. (pending before the
32 Legislature as this bill).

33 b. On and after June 9, 1971, a member, under **【60 years of】**
34 normal retirement age, who has 10 or more years of credit for New
35 Jersey service, shall, upon the application of his employer or upon
36 his own application or the application of one acting in his behalf, be
37 retired for ordinary disability by the board of trustees. The
38 physician or physicians designated by the board shall have first
39 made a medical examination of him **【at his residence or at any other**
40 **place mutually agreed upon】** and shall have certified to the board
41 that the member is physically or mentally incapacitated for the
42 performance of his usual duty or of any other available duty that his
43 employer is willing to assign to him and should be retired. **【No**
44 **person who becomes a member of the retirement system on or after**
45 **the effective date of P.L.2010, c.3 shall be eligible for retirement**
46 **pursuant to this subsection.】**

1 c. A member, under **[65 years of]** normal retirement age, shall,
2 upon the application of his employer or upon his own application or
3 the application of one acting in his behalf, be retired by the board of
4 trustees, **[if said member is permanently and totally disabled as a**
5 **direct result of a traumatic event occurring during and as a result of**
6 **the performance of his regular or assigned duties,]** on **[an**
7 **accidental]** a work-related disability allowance, if he meets the
8 requirements of the medical examination set forth in subsection b.
9 of this section and the incapacity from the performance of duties is
10 the direct result of a work-related accident or occupational exposure
11 occurring during and as a result of his regular assigned duties and
12 not the result of willful negligence. **[A traumatic event]** An
13 accident or occupational exposure occurring during voluntary
14 performance of regular or assigned duties at a place of employment
15 before or after required hours of employment which is not in
16 violation of any valid work rule of the employer or otherwise
17 prohibited by the employer shall be deemed as occurring during the
18 performance of regular or assigned duties. **[No person who**
19 **becomes a member of the retirement system on or after the effective**
20 **date of P.L.2010, c.3 shall be eligible for retirement pursuant to this**
21 **subsection.]** In order to qualify for a work-related disability
22 benefit, the member shall have received a workers' compensation
23 award of permanent disability under R.S.34:15-1 et seq. The board
24 may, in its discretion, waive the requirement for a medical
25 examination under this subsection when the Division of Workers'
26 Compensation in the Department of Labor and Workforce
27 Development has determined that the member is 100 percent totally
28 and permanently disabled.

29 The application to accomplish **[such]** a work-related disability
30 retirement must be filed within five years of the original **[traumatic**
31 **event]** accident or occupational exposure, but the board of trustees
32 may consider an application filed after the five-year period if it can
33 be factually demonstrated to the satisfaction of the board of trustees
34 that the disability is due to the accident or occupational exposure
35 and the filing was not accomplished within the five-year period due
36 to a delayed manifestation of the disability or to circumstances
37 beyond the control of the member.

38 **[Permanent and total disability resulting from a cardiovascular,**
39 **pulmonary or musculo-skeletal condition which was not a direct**
40 **result of a traumatic event occurring in the performance of duty**
41 **shall be deemed an ordinary disability.**

42 Before consideration of an application for accidental disability
43 allowance by the board of trustees, the physician or physicians
44 designated by the board shall have first made a medical examination
45 of the member at his residence or at any other place mutually
46 agreed upon and shall have certified to the board that he is

1 physically or mentally incapacitated for the performance of duty,
2 and should be retired, and the employer shall have certified to the
3 board that the member is permanently and totally disabled as a
4 direct result of a traumatic event occurring during and as a result of
5 the performance of his regular and assigned duties, the time and
6 place where the duty causing the disability was performed, that the
7 disability was not the result of his willful negligence and that the
8 member should be retired.】

9 (cf: P.L.2010, c.3, s.7)

10
11 4. N.J.S.18A:66-41 is amended to read as follows:

12 18A:66-41. A member upon retirement for ordinary disability or
13 work-related disability shall receive a retirement allowance which
14 shall consist of:

15 (a) an annuity which shall be the actuarial equivalent of his
16 accumulated deductions at the time of his retirement together with
17 regular interest after January 1, 1956; and

18 (b) a pension in the amount which, when added to the member's
19 annuity, will provide a total retirement allowance of 【1.64%】 1½%
20 of final compensation multiplied by his number of years of
21 creditable service; and provided further, that in no event shall the
22 allowance be less than 【43.6%】 40% of final compensation.

23 Upon the receipt of proper proofs of the death of a member who
24 has retired on an ordinary or work-related disability retirement
25 allowance, there shall be paid to such member's beneficiary, an
26 amount equal to 1 1/2 times the compensation upon which
27 contributions by the member to the annuity savings fund were based
28 in the last year of creditable service or in the year of the member's
29 highest contractual salary, whichever is higher; provided, however,
30 that if such death shall occur after the member shall have attained
31 age 60, the amount payable shall equal 3/16 of such compensation.
32 The death benefits provided in this section shall apply to any
33 member who has retired or shall retire on or after January 1, 1956.

34 (cf: P.L.2001, c.353, s.1)

35
36 5. Section 6 of P.L.1954, c.84 (C.43:15A-6) is amended to read
37 as follows:

38 6. As used in this act:

39 a. "Accumulated deductions" means the sum of all the
40 amounts, deducted from the compensation of a member or
41 contributed by or on behalf of the member, standing to the credit of
42 the member's individual account in the annuity savings fund.

43 b. "Annuity" means payments for life derived from the
44 accumulated deductions of a member as provided in this act.

45 c. "Annuity reserve" means the present value of all payments
46 to be made on account of any annuity or benefit in lieu of an
47 annuity, granted under the provisions of this act, computed on the

1 basis of such mortality tables recommended by the actuary as the
2 board of trustees adopts, with regular interest.

3 d. "Beneficiary" means any person receiving a retirement
4 allowance or other benefit as provided in this act.

5 e. "Child" means a deceased member's unmarried child either
6 (1) under the age of 18 or (2) of any age who, at the time of the
7 member's death, is disabled because of an intellectual disability or
8 physical incapacity, is unable to do any substantial, gainful work
9 because of the impairment and the impairment has lasted or can be
10 expected to last for a continuous period of not less than 12 months,
11 as affirmed by the medical board.

12 f. "Parent" shall mean the parent of a member who was
13 receiving at least 1/2 of the parent's support from the member in the
14 12-month period immediately preceding the member's death or the
15 accident which was the direct cause of the member's death. The
16 dependency of such a parent will be considered terminated by
17 marriage of the parent subsequent to the death of the member.

18 g. (1) "Widower," for employees of the State, means the man to
19 whom a member was married, or a domestic partner as defined in
20 section 3 of P.L.2003, c.246 (C.26:8A-3), at least five years before
21 the date of her death and to whom she continued to be married or a
22 domestic partner until the date of her death and who was receiving
23 at least 1/2 of his support from the member in the 12-month period
24 immediately preceding the member's death or the accident which
25 was the direct cause of the member's death. The dependency of such
26 a widower will be considered terminated by marriage of, or
27 establishment of a domestic partnership by, the widower subsequent
28 to the death of the member. In the event of the payment of an
29 accidental death benefit, the five-year qualification shall be waived.

30 (2) Subject to the provisions of paragraph (3) of this subsection,
31 "widower," for employees of public employers other than the State,
32 means the man to whom a member was married at least five years
33 before the date of her death and to whom she continued to be
34 married until the date of her death and who was receiving at least
35 1/2 of his support from the member in the 12-month period
36 immediately preceding the member's death or the accident which
37 was the direct cause of the member's death. The dependency of such
38 a widower shall be considered terminated by marriage of the
39 widower subsequent to the death of the member. In the event of the
40 payment of an accidental death benefit, the five-year qualification
41 shall be waived.

42 (3) A public employer other than the State may adopt a
43 resolution providing that the term "widower" as defined in
44 paragraph (2) of this subsection shall include domestic partners as
45 provided in paragraph (1) of this subsection.

46 h. (1) "Final compensation" means the average annual
47 compensation for which contributions are made for the three years

1 of creditable service in New Jersey immediately preceding the
2 member's retirement or death, or it shall mean the average annual
3 compensation for New Jersey service for which contributions are
4 made during any three fiscal years of his or her membership
5 providing the largest possible benefit to the member or the
6 member's beneficiary.

7 (2) In the case of a person who becomes a member of the
8 retirement system on or after the effective date of P.L.2010, c.1,
9 "final compensation" means the average annual compensation for
10 which contributions are made for the five years of creditable service
11 in New Jersey immediately preceding the member's retirement or
12 death, or it shall mean the average annual compensation for New
13 Jersey service for which contributions are made during any five
14 fiscal years of his or her membership providing the largest possible
15 benefit to the member or the member's beneficiary.

16 i. "Fiscal year" means any year commencing with July 1 and
17 ending with June 30 next following.

18 j. "Medical board" shall mean the board of physicians
19 provided for in section 17 of P.L.1954, c.84 (C.43:15A-17).

20 k. "Pension" means payments for life derived from
21 appropriations made by the employer as provided in this act.

22 l. "Pension reserve" means the present value of all payments to
23 be made on account of any pension or benefit in lieu of a pension
24 granted under the provisions of this act, computed on the basis of
25 such mortality tables recommended by the actuary as the board of
26 trustees adopts, with regular interest.

27 m. "Public Employees' Retirement System of New Jersey,"
28 hereinafter referred to as the "retirement system" or "system," is the
29 corporate name of the arrangement for the payment of retirement
30 allowances and other benefits under the provisions of this act
31 including the several funds placed under said system. By that name
32 all of its business shall be transacted, its funds invested, warrants
33 for money drawn, and payments made and all of its cash and
34 securities and other property held.

35 n. "Regular interest" shall mean interest as determined by the
36 State Treasurer, after consultation with the Directors of the
37 Divisions of Investment and Pensions, the board of trustees and the
38 actuary. It shall bear a reasonable relationship to the percentage rate
39 of earnings on investments based on the market value of the assets
40 but shall not exceed the assumed percentage rate of increase applied
41 to salaries plus 3%, provided however that the board of trustees
42 shall not set the average percentage rate of increase applied to
43 salaries below 6%.

44 o. "Retirement allowance" means the pension plus the annuity.

45 p. "Veteran" means any honorably discharged officer, soldier,
46 sailor, airman, marine or nurse who served in any Army, Air Force
47 or Navy of the Allies of the United States in World War I, between

1 July 14, 1914, and November 11, 1918, or who served in any Army,
2 Air Force or Navy of the Allies of the United States in World War
3 II, between September 1, 1939, and September 2, 1945, and who
4 was inducted into such service through voluntary enlistment, and
5 was a citizen of the United States at the time of such enlistment, and
6 who did not, during or by reason of such service, renounce or lose
7 United States citizenship, and any officer, soldier, sailor, marine,
8 airman, nurse or army field clerk, who has served in the active
9 military or naval service of the United States and has or shall be
10 discharged or released therefrom under conditions other than
11 dishonorable, in any of the following wars, uprisings, insurrections,
12 expeditions, or emergencies, and who has presented to the
13 retirement system evidence of such record of service in form and
14 content satisfactory to said retirement system:

15 (1) The Indian wars and uprisings during any of the periods
16 recognized by the War Department of the United States as periods
17 of active hostility;

18 (2) The Spanish-American War between April 20, 1898, and
19 April 11, 1899;

20 (3) The Philippine insurrections and expeditions during the
21 periods recognized by the War Department of the United States as
22 of active hostility from February 4, 1899, to the end of 1913;

23 (4) The Peking relief expedition between June 20, 1900, and
24 May 27, 1902;

25 (5) The army of Cuban occupation between July 18, 1898, and
26 May 20, 1902;

27 (6) The army of Cuban pacification between October 6, 1906,
28 and April 1, 1909;

29 (7) The Mexican punitive expedition between March 14, 1916,
30 and February 7, 1917;

31 (8) The Mexican border patrol, having actually participated in
32 engagements against Mexicans between April 12, 1911, and June
33 16, 1919;

34 (9) World War I, between April 6, 1917, and November 11,
35 1918;

36 (10) World War II, between September 16, 1940, and December
37 31, 1946, who shall have served at least 90 days in such active
38 service, exclusive of any period of assignment (1) for a course of
39 education or training under the Army Specialized Training Program
40 or the Navy College Training Program which course was a
41 continuation of a civilian course and was pursued to completion, or
42 (2) as a cadet or midshipman at one of the service academies any
43 part of which 90 days was served between said dates; provided, that
44 any person receiving an actual service-incurred injury or disability
45 shall be classed as a veteran whether or not that person has
46 completed the 90-day service as herein provided;

1 (11) Korean conflict on or after June 23, 1950, and on or prior to
2 January 31, 1955, who shall have served at least 90 days in such
3 active service, exclusive of any period of assignment (1) for a
4 course of education or training under the Army Specialized
5 Training Program or the Navy College Training Program which
6 course was a continuation of a civilian course and was pursued to
7 completion, or (2) as a cadet or midshipman at one of the service
8 academies, any part of which 90 days was served between said
9 dates; provided, that any person receiving an actual service-incurred
10 injury or disability shall be classed as a veteran whether or not that
11 person has completed the 90-day service as herein provided; and
12 provided further, that any member classed as a veteran pursuant to
13 this paragraph prior to August 1, 1966, shall continue to be classed
14 as a veteran whether or not that person completed the 90-day
15 service between said dates as herein provided;

16 (12) Lebanon crisis, on or after July 1, 1958, who has served in
17 Lebanon or on board any ship actively engaged in patrolling the
18 territorial waters of that nation for a period, continuous or in the
19 aggregate, of at least 14 days commencing on or before November
20 1, 1958 or the date of termination of that conflict, as proclaimed by
21 the President of the United States or Congress, whichever date of
22 termination is the latest, in such active service; provided, that any
23 person receiving an actual service-incurred injury or disability shall
24 be classed as a veteran whether or not that person has completed the
25 14 days' service as herein provided;

26 (13) Vietnam conflict on or after December 31, 1960, and on or
27 prior to May 7, 1975, who shall have served at least 90 days in such
28 active service, exclusive of any period of assignment (1) for a
29 course of education or training under the Army Specialized
30 Training Program or the Navy College Training Program which
31 course was a continuation of a civilian course and was pursued to
32 completion, or (2) as a cadet or midshipman at one of the service
33 academies, any part of which 90 days was served between said
34 dates; and exclusive of any service performed pursuant to the
35 provisions of section 511(d) of Title 10, United States Code,
36 pursuant to an enlistment in the Army National Guard or as a
37 reserve for service in the Army Reserve, Naval Reserve, Air Force
38 Reserve, Marine Corps Reserve, or Coast Guard Reserve; provided,
39 that any person receiving an actual service-incurred injury or
40 disability shall be classed as a veteran whether or not that person
41 has completed the 90 days' service as herein provided;

42 (14) Lebanon peacekeeping mission, on or after September 26,
43 1982, who has served in Lebanon or on board any ship actively
44 engaged in patrolling the territorial waters of that nation for a
45 period, continuous or in the aggregate, of at least 14 days
46 commencing on or before December 1, 1987 or the date of
47 termination of that mission, as proclaimed by the President of the

1 United States or Congress, whichever date of termination is the
2 latest, in such active service; provided, that any person receiving an
3 actual service-incurred injury or disability shall be classed as a
4 veteran whether or not that person has completed the 14 days'
5 service as herein provided;

6 (15) Grenada peacekeeping mission, on or after October 23,
7 1983, who has served in Grenada or on board any ship actively
8 engaged in patrolling the territorial waters of that nation for a
9 period, continuous or in the aggregate, of at least 14 days
10 commencing on or before November 21, 1983 or the date of
11 termination of that mission, as proclaimed by the President of the
12 United States or Congress, whichever date of termination is the
13 latest, in such active service; provided, that any person receiving an
14 actual service-incurred injury or disability shall be classed as a
15 veteran whether or not that person has completed the 14 days'
16 service as herein provided;

17 (16) Panama peacekeeping mission, on or after December 20,
18 1989 or the date of inception of that mission, as proclaimed by the
19 President of the United States or Congress, whichever date of
20 inception is earliest, who has served in Panama or on board any ship
21 actively engaged in patrolling the territorial waters of that nation for
22 a period, continuous or in the aggregate, of at least 14 days
23 commencing on or before January 31, 1990 or the date of
24 termination of that mission, as proclaimed by the President of the
25 United States or Congress, whichever date of termination is the
26 latest, in such active service; provided, that any person receiving an
27 actual service-incurred injury or disability shall be classed as a
28 veteran whether or not that person has completed the 14 days'
29 service as herein provided;

30 (17) Operation "Desert Shield/Desert Storm" mission in the
31 Arabian peninsula and the Persian Gulf, on or after August 2, 1990
32 or the date of inception of that operation, as proclaimed by the
33 President of the United States or Congress, whichever date of
34 inception is earliest, who has served in the Arabian peninsula or on
35 board any ship actively engaged in patrolling the Persian Gulf for a
36 period, continuous or in the aggregate, of at least 14 days
37 commencing on or before the date of termination of that mission, as
38 proclaimed by the President of the United States or Congress,
39 whichever date of termination is the latest, in such active service;
40 provided, that any person receiving an actual service-incurred injury
41 or disability shall be classed as a veteran whether or not that person
42 has completed the 14 days' service as herein provided;

43 (18) Operation Northern Watch and Operation Southern Watch,
44 on or after August 27, 1992, or the date of inception of that
45 operation, as proclaimed by the President of the United States,
46 Congress or United States Secretary of Defense, whichever date of
47 inception is earliest, who served in the theater of operation,

1 including in the Arabian peninsula and the Persian Gulf, and in
2 direct support of that operation for a period, continuously or in the
3 aggregate, of at least 14 days in such active service, commencing on
4 or before the date of termination of that operation, as proclaimed by
5 the President of the United States, Congress or United States
6 Secretary of Defense, whichever date of termination is the latest;
7 provided, that any person receiving an actual service-incurred injury
8 or disability while engaged in such service shall be classed as a
9 veteran whether or not that person has completed the 14 days'
10 service as herein provided;

11 (19) Operation "Restore Hope" in Somalia, on or after December
12 5, 1992, or the date of inception of that operation as proclaimed by
13 the President of the United States or Congress, whichever date is
14 earliest, who has served in Somalia or on board any ship actively
15 engaged in patrolling the territorial waters of that nation for a
16 period, continuously or in the aggregate, of at least 14 days in such
17 active service commencing on or before March 31, 1994; provided
18 that any person receiving an actual service-incurred injury or
19 disability shall be classed as a veteran whether or not that person
20 has completed the 14-day service as herein provided;

21 (20) Operations "Joint Endeavor" and "Joint Guard" in the
22 Republic of Bosnia and Herzegovina, on or after November 20,
23 1995, who served in such active service in direct support of one or
24 both of the operations for at least 14 days, continuously or in the
25 aggregate, commencing on or before June 20, 1998 and (1) was
26 deployed in that nation or in another area in the region, or (2) was
27 on board a United States naval vessel operating in the Adriatic Sea,
28 or (3) operated in airspace above the Republic of Bosnia and
29 Herzegovina; provided that any person receiving an actual service-
30 incurred injury or disability shall be classed as a veteran whether or
31 not that person completed the 14-day service requirement;

32 (21) Operation "Enduring Freedom", on or after September 11,
33 2001, who served in a theater of operation and in direct support of
34 that operation for a period, continuously or in the aggregate, of at
35 least 14 days in such active service commencing on or before the
36 date the President of the United States or the United States
37 Secretary of Defense designates as the termination date of that
38 operation; provided, that any person receiving an actual service-
39 incurred injury or disability while engaged in such service shall be
40 classed as a veteran whether or not that person has completed the 14
41 days' service as herein provided; and

42 (22) Operation "Iraqi Freedom", on or after the date the President
43 of the United States or the United States Secretary of Defense
44 designates as the inception date of that operation, who served in
45 Iraq or in another area in the region in direct support of that
46 operation for a period, continuously or in the aggregate, of at least
47 14 days in such active service commencing on or before the date the

1 President of the United States or the United States Secretary of
2 Defense designates as the termination date of that operation;
3 provided, that any person receiving an actual service-incurred injury
4 or disability while engaged in such service shall be classed as a
5 veteran whether or not that person has completed the 14 days'
6 service as herein provided.

7 "Veteran" also means any honorably discharged member of the
8 American Merchant Marine who served during World War II and is
9 declared by the United States Department of Defense to be eligible
10 for federal veterans' benefits.

11 q. (1) "Widow," for employees of the State, means the woman
12 to whom a member was married, or a domestic partner as defined in
13 section 3 of P.L.2003, c.246 (C.26:8A-3), at least five years before
14 the date of his death and to whom he continued to be married or a
15 domestic partner until the date of his death and who was receiving
16 at least 1/2 of her support from the member in the 12-month period
17 immediately preceding the member's death or the accident which
18 was the direct cause of the member's death. The dependency of such
19 a widow will be considered terminated by the marriage of, or
20 establishment of a domestic partnership by, the widow subsequent
21 to the member's death. In the event of the payment of an accidental
22 death benefit, the five-year qualification shall be waived.

23 (2) Subject to the provisions of paragraph (3) of this subsection,
24 "widow," for employees of public employers other than the State,
25 means the woman to whom a member was married at least five
26 years before the date of his death and to whom he continued to be
27 married until the date of his death and who was receiving at least
28 1/2 of her support from the member in the 12-month period
29 immediately preceding the member's death or the accident which
30 was the direct cause of the member's death. The dependency of such
31 a widow shall be considered terminated by the marriage of the
32 widow subsequent to the member's death. In the event of the
33 payment of an accidental death benefit, the five-year qualification
34 shall be waived.

35 (3) A public employer other than the State may adopt a
36 resolution providing that the term "widow" as defined in paragraph
37 (2) of this subsection shall include domestic partners as provided in
38 paragraph (1) of this subsection.

39 r. (1) "Compensation" means the base or contractual salary, for
40 services as an employee, which is in accordance with established
41 salary policies of the member's employer for all employees in the
42 same position but shall not include individual salary adjustments
43 which are granted primarily in anticipation of the member's
44 retirement or additional remuneration for performing temporary or
45 extracurricular duties beyond the regular workday or the regular
46 work year.

1 (2) In the case of a person who becomes a member of the
2 retirement system on or after July 1, 2007, "compensation" means
3 the amount of base or contractual salary equivalent to the annual
4 maximum wage contribution base for Social Security, pursuant to
5 the Federal Insurance Contributions Act, for services as an
6 employee, which is in accordance with established salary policies of
7 the member's employer for all employees in the same position but
8 shall not include individual salary adjustments which are granted
9 primarily in anticipation of the member's retirement or additional
10 remuneration for performing temporary or extracurricular duties
11 beyond the regular workday or the regular work year. This
12 paragraph shall not apply to a person who at the time of enrollment
13 in the retirement system on or after July 1, 2007 transfers service
14 credit from another State-administered retirement system pursuant
15 to section 14 of P.L.1954, c.84 (C.43:15A-14), but shall apply to a
16 former member of the retirement system who has been granted a
17 retirement allowance and is reenrolled in the retirement system on
18 or after July 1, 2007 pursuant to section 27 of P.L.1966, c.217
19 (C.43:15A-57.2) after becoming employed again in a position that
20 makes the person eligible to be a member of the retirement system.

21 In cases where salary includes maintenance, the retirement
22 system shall fix the value of that part of the salary not paid in
23 money which shall be considered under this act.

24 For the period of July 1, 2009 through June 30, 2011,
25 "contractual salary" for State employees shall include across the
26 board negotiated wage increases under a collective negotiations
27 agreement that were payable to all State employees covered by that
28 agreement notwithstanding that, by amendment to that collective
29 negotiations agreement, the effective date of the contractual
30 increase has been deferred. For the purpose of this paragraph,
31 "State employee" means an employee in the Executive Branch or
32 the Judicial Branch of State government of New Jersey or an
33 employee of the State University authorized to participate in the
34 system under subsection b. of section 73 of P.L.1954, c.84
35 (C.43:15A-73), but shall not include employees of agencies
36 authorized to participate in the system under subsections a., c., d.,
37 e., f., and g. of section 73 of P.L.1954, c.84 (C.43:15A-73) or under
38 P.L.1990, c.25 (C.43:15A-73.2 et al.).

39 For the period of July 1, 2009 through June 30, 2011,
40 "contractual salary" for county and municipal employees shall
41 include across the board negotiated wage increases under a
42 collective negotiations agreement that were payable to all county or
43 all municipal employees covered by that agreement notwithstanding
44 that, by amendment to that collective negotiations agreement which
45 has been filed with the Division of Pensions and Benefits, the
46 effective date of the contractual increase has been deferred. For the
47 purpose of this paragraph, "county and municipal employees"

1 means all persons employed by a county or municipality in this
2 State.

3 s. “Normal retirement age” means the age at which the member
4 is first eligible for a service retirement based on age under section
5 47 of P.L.1954, c.84 (C.43:15A-47), section 4 of P.L.1955, c.257
6 (C.43:15A-100), or section 4 of P.L.2001, c.366 (C.43:15A-158) as
7 shall apply to the member.
8 (cf: P.L.2010, c.50, s.71)
9

10 6. Section 28 of P.L.1966, c.217 (C.43:15A-25.1) is amended
11 to read as follows:

12 28. a. If any member of the retirement system receives periodic
13 benefits payable under the Workers' Compensation Law during the
14 course of his active service, in lieu of his normal compensation, his
15 regular salary deductions shall be paid to the retirement system by
16 his employer. Such payments shall be computed, in accordance
17 with section 25 of P.L.1954, c.84 (C.43:15A-25), at the rate of
18 contribution on the base salary subject to the retirement system, just
19 prior to the receipt of the workers' compensation benefits. The
20 moneys paid by the employer shall be credited to the member's
21 account in the annuity savings fund and shall be treated as
22 employee contributions for all purposes. The employer will
23 terminate the payment of these moneys when the periodic benefits
24 payable under the Workers' Compensation Law are terminated or
25 when the member retires.

26 The member for whom the employer is making such payments,
27 will be considered as if he were in the active service and shall be
28 permitted to continue to make contributions to purchase the
29 additional death benefit coverage provided by section 57 of
30 P.L.1954, c.84 (C.43:15A-57).

31 b. An application for retirement benefits may be approved by
32 the board of trustees while the member, applying for such benefits,
33 is in receipt of periodic benefits under the Workers' Compensation
34 Law. If a retirant receiving a work-related disability retirement
35 allowance or an accidental disability retirement allowance approved
36 prior to the effective date of P.L. , c. (pending before the
37 Legislature as this bill) becomes a recipient of periodic benefits
38 under the workers' compensation law after the date of retirement,
39 the pension portion of the retirement allowance payable to the
40 retirant shall be reduced, during the period of the payment of the
41 periodic benefits, dollar-for-dollar in the amount of the periodic
42 benefits received after the date of retirement, subject to the
43 provisions of section 64 of P.L.1954, c.84 (C.43:15A-64). The
44 reduction provided for herein shall not affect the retirant's pension
45 adjustment benefits or survivor benefits that may be payable upon
46 the death of the retirant. Notwithstanding the provisions of
47 R.S.34:15-26 and R.S.34:15-40, the amount of the dollar-for-dollar

1 reduction from the receipt of workers' compensation periodic
2 benefits shall not be reduced by a payment for legal services nor by
3 receipt of a third party recovery.

4 If a work-related disability retirant or an accidental disability
5 retirant approved prior to the effective date of P.L. , c. (pending
6 before the Legislature as this bill) receives a retirement allowance
7 without reduction and periodic benefits under the workers'
8 compensation law for any period of time after the date of
9 retirement, the retirant shall repay to the retirement system the
10 amount of the pension portion of the retirement allowance which
11 should have been subject to reduction under this subsection. The
12 repayment may be in the form of a lump sum payment or scheduled
13 as deductions from the retirant's retirement allowance and pension
14 adjustment benefits. If the retirant dies before full repayment of the
15 amount required, the remaining balance shall be deducted from any
16 death benefits payable on behalf of the retirant.

17 (cf: P.L.1995, c.369, s.2)

18
19 7. Section 42 of P.L.1954, c.84 (C.43:15A-42) is amended to
20 read as follows:

21 42. a. A member, under [60 years of] normal retirement age,
22 who has 10 or more years of credit for New Jersey service, shall,
23 upon the application of the head of the department in which he shall
24 have been employed or upon his own application or the application
25 of one acting in his behalf, be retired for ordinary disability by the
26 board of trustees. The physician or physicians designated by the
27 board shall have first made a medical examination of him [at his
28 residence or at any other place mutually agreed upon] and shall
29 have certified to the board that the member is physically or
30 mentally incapacitated for the performance of his usual duty or of
31 any other available duty that his employer is willing to assign to
32 him and should be retired.

33 [The service requirement provisions of this amendatory and
34 supplementary act shall not become effective for 5 years following
35 the effective date of the act.

36 No person who becomes a member of the retirement system on
37 or after the effective date of P.L.2010, c.3 shall be eligible for
38 retirement pursuant to this section.]

39 b. Upon the written application by a member in service, by one
40 acting in his behalf or by his employer, any member under normal
41 retirement age who has less than 10 years of creditable service may
42 be retired on a work-related disability retirement allowance, if he
43 meets the requirements of the medical examination under
44 subsection a. of this section and the incapacity from the
45 performance of duties is the direct result of a work-related accident
46 or occupational exposure occurring during and as a result of his
47 regular and assigned duties and not the result of willful negligence.

1 In order to qualify for a work-related disability benefit, the member
2 shall have received a workers' compensation award of permanent
3 disability under R.S.34:15-1 et seq. The board may, in its
4 discretion, waive the requirement for a medical examination under
5 this subsection when the Division of Workers' Compensation in the
6 Department of Labor and Workforce Development has determined
7 that the member is 100 percent totally and permanently disabled.

8 c. Upon approval for ordinary or work-related disability, a
9 member shall receive a disability retirement allowance as set forth
10 in section 45 of P.L.1954, c.84 (C.43:15A-45).

11 (cf: P.L.2010, c.3, s.8)

12
13 8. Section 43 of P.L.1954, c.84 (C.43:15A-43) is amended to
14 read as follows:

15 43. [A member who has not attained age 65 shall, upon the
16 application of the head of the department in which he is employed
17 or upon his own application or the application of one acting in his
18 behalf, be retired by the board of trustees, if said employee is
19 permanently and totally disabled as a direct result of a traumatic
20 event occurring during and as a result of the performance of his
21 regular or assigned duties, on an accidental disability allowance. A
22 traumatic event occurring during voluntary performance of regular
23 or assigned duties at a place of employment before or after required
24 hours of employment which is not in violation of any valid work
25 rule of the employer or otherwise prohibited by the employer shall
26 be deemed as occurring during the performance of regular or
27 assigned duties.]

28 The application [to accomplish such retirement] for a work-
29 related disability retirement under section 42 of P.L.1954, c.84
30 (C.43:15A-42) must be filed within five years of the original
31 [traumatic event] accident or occupational exposure, but the board
32 of trustees may consider an application filed after the five-year
33 period if it can be factually demonstrated to the satisfaction of the
34 board of trustees that the disability is due to the accident or
35 occupational exposure and the filing was not accomplished within
36 the five-year period due to a delayed manifestation of the disability
37 or to circumstances beyond the control of the member.

38 [Permanent and total disability resulting from a cardiovascular,
39 pulmonary or musculo-skeletal condition which was not a direct
40 result of a traumatic event occurring in the performance of duty
41 shall be deemed an ordinary disability.

42 Before consideration of the application by the board of trustees,
43 the physician or physicians designated by the board shall have first
44 made a medical examination of the member at his residence or at
45 any other place mutually agreed upon and shall have certified to the
46 board that he is physically or mentally incapacitated for the
47 performance of duty, and should be retired, and the appointing

1 authority shall have certified to the board that the member is
2 permanently and totally disabled as a direct result of a traumatic
3 event occurring during and as a result of the performance of his
4 regular or assigned duties, the time and place where the duty
5 causing the disability was performed, that the disability was not the
6 result of his willful negligence and that the member should be
7 retired.

8 No person who becomes a member of the retirement system on
9 or after the effective date of P.L.2010, c.3 shall be eligible for
10 retirement pursuant to this section.】

11 (cf: P.L.2010, c.3, s.9)

12
13 9. Section 45 of P.L.1954, c.84 (C.43:15A-45) is amended to
14 read as follows:

15 45. A member upon retirement for ordinary or work-related
16 disability shall receive a retirement allowance, which shall consist
17 of:

18 a. An annuity which shall be the actuarial equivalent of his
19 accumulated deductions together with regular interest and

20 b. A pension in the amount which, when added to the member's
21 annuity, will provide a total retirement allowance of 【1.64%】 1½%
22 of final compensation multiplied by his number of years of
23 creditable service; provided further, that in no event shall the
24 allowance be less than 【43.6%】 40% of final compensation.

25 c. Upon the receipt of proper proofs of the death of a member
26 who has retired on an ordinary or work-related disability retirement
27 allowance, there shall be paid to such member's beneficiary, an
28 amount equal to 1 1/2 times the compensation upon which
29 contributions by the member to the annuity savings fund were based
30 in the last year of creditable service; provided, however, that if such
31 death shall occur after the member shall have attained age 60, the
32 amount payable shall equal 3/16 of such compensation.

33 (cf: P.L.2001, c.353, s.9)

34
35 10. Section 7 of P.L.1955, c.257 (C.43:15A-103) is amended to
36 read as follows:

37 7. Upon the receipt of proper proofs of the death of a member
38 who at the time of retirement was a law enforcement officer and
39 who has retired on an accidental disability retirement allowance or
40 after the effective date of P.L. , c. (pending before the
41 Legislature as this bill) on a work-related disability retirement
42 allowance, there shall be paid to such person, if living, as he shall
43 have nominated by written designation duly executed and filed
44 with the board of trustees, otherwise to the executor or
45 administrator of the member's estate, the sum of \$5,000.00 or the
46 amount payable pursuant to section 46c of the act to which this act

1 is a supplement, whichever is greater.
2 (cf: P.L.1955, c.257, s.7)

3
4 11. Section 1 of P.L.1944, c.255 (C.43:16A-1) is amended to
5 read as follows:

6 1. As used in this act:

7 (1) "Retirement system" or "system" shall mean the Police and
8 Firemen's Retirement System of New Jersey as defined in section 2
9 of this act.

10 (2) (a) "Policeman" shall mean a permanent, full-time employee
11 of a law enforcement unit as defined in section 2 of P.L.1961, c.56
12 (C.52:17B-67) or the State, other than an officer or trooper of the
13 Division of State Police whose position is covered by the State
14 Police Retirement System, whose primary duties include the
15 investigation, apprehension or detention of persons suspected or
16 convicted of violating the criminal laws of the State and who:

17 (i) is authorized to carry a firearm while engaged in the actual
18 performance of his official duties;

19 (ii) has police powers;

20 (iii) is required to complete successfully the training
21 requirements prescribed by P.L.1961, c.56 (C.52:17B-66 et seq.) or
22 comparable training requirements as determined by the board of
23 trustees; and

24 (iv) is subject to the physical and mental fitness requirements
25 applicable to the position of municipal police officer established by
26 an agency authorized to establish these requirements on a Statewide
27 basis, or comparable physical and mental fitness requirements as
28 determined by the board of trustees.

29 The term shall also include an administrative or supervisory
30 employee of a law enforcement unit or the State whose duties
31 include general or direct supervision of employees engaged in
32 investigation, apprehension or detention activities or training
33 responsibility for these employees and a requirement for
34 engagement in investigation, apprehension or detention activities if
35 necessary, and who is authorized to carry a firearm while in the
36 actual performance of his official duties and has police powers.

37 (b) "Fireman" shall mean a permanent, full-time employee of a
38 firefighting unit whose primary duties include the control and
39 extinguishment of fires and who is subject to the training and
40 physical and mental fitness requirements applicable to the position
41 of municipal firefighter established by an agency authorized to
42 establish these requirements on a Statewide basis, or comparable
43 training and physical and mental fitness requirements as determined
44 by the board of trustees. The term shall also include an
45 administrative or supervisory employee of a firefighting unit whose
46 duties include general or direct supervision of employees engaged
47 in fire control and extinguishment activities or training

1 responsibility for these employees and a requirement for
2 engagement in fire control and extinguishment activities if
3 necessary. As used in this paragraph, "firefighting unit" shall mean
4 a municipal fire department, a fire district, or an agency of a county
5 or the State which is responsible for control and extinguishment of
6 fires.

7 (3) "Member" shall mean any policeman or fireman included in
8 the membership of the retirement system pursuant to this
9 amendatory and supplementary act, P.L.1989, c.204 (C.43:16A-15.6
10 et al.).

11 (4) "Board of trustees" or "board" shall mean the board provided
12 for in section 13 of this act.

13 (5) "Medical board" shall mean the board of physicians
14 provided for in section 13 of this act.

15 (6) "Employer" shall mean the State of New Jersey, the county,
16 municipality or political subdivision thereof which pays the
17 particular policeman or fireman.

18 (7) "Service" shall mean service as a policeman or fireman paid
19 for by an employer.

20 (8) "Creditable service" shall mean service rendered for which
21 credit is allowed as provided under section 4 of this act.

22 (9) "Regular interest" shall mean interest as determined by the
23 State Treasurer, after consultation with the Directors of the
24 Divisions of Investment and Pensions, the board of trustees and the
25 actuary. It shall bear a reasonable relationship to the percentage
26 rate of earnings on investments based on the market value of assets
27 but shall not exceed the assumed percentage rate of increase applied
28 to salaries plus 3%, provided however that the board of trustees
29 shall not set the average percentage rate of increase applied to
30 salaries below 6%.

31 (10) "Aggregate contributions" shall mean the sum of all the
32 amounts, deducted from the compensation of a member or
33 contributed by him or on his behalf, standing to the credit of his
34 individual account in the annuity savings fund.

35 (11) "Annuity" shall mean payments for life derived from the
36 aggregate contributions of a member.

37 (12) "Pension" shall mean payments for life derived from
38 contributions by the employer.

39 (13) "Retirement allowance" shall mean the pension plus the
40 annuity.

41 (14) "Earnable compensation" shall mean the full rate of the
42 salary that would be payable to an employee if he worked the full
43 normal working time for his position. In cases where salary
44 includes maintenance, the retirement system shall fix the value of
45 that part of the salary not paid in money which shall be considered
46 under this act.

1 (15) "Average final compensation" shall mean final
2 compensation.

3 (16) "Retirement" shall mean the termination of the member's
4 active service with a retirement allowance granted and paid under
5 the provisions of this act.

6 (17) "Annuity reserve" shall mean the present value of all
7 payments to be made on account of any annuity or benefit in lieu of
8 any annuity computed upon the basis of such mortality tables
9 recommended by the actuary as shall be adopted by the board of
10 trustees, and regular interest.

11 (18) "Pension reserve" shall mean the present value of all
12 payments to be made on account of any pension or benefit in lieu of
13 any pension computed upon the basis of such mortality tables
14 recommended by the actuary as shall be adopted by the board of
15 trustees, and regular interest.

16 (19) "Actuarial equivalent" shall mean a benefit of equal value
17 when computed upon the basis of such mortality tables
18 recommended by the actuary as shall be adopted by the board of
19 trustees, and regular interest.

20 (20) "Beneficiary" shall mean any person receiving a retirement
21 allowance or other benefit as provided by this act.

22 (21) "Child" shall mean a deceased member's or retirant's
23 unmarried child (a) under the age of 18, or (b) 18 years of age or
24 older and enrolled in a secondary school, or (c) under the age of 24
25 and enrolled in a degree program in an institution of higher
26 education for at least 12 credit hours in each semester, provided that
27 the member died in active service as a result of an accident met in
28 the actual performance of duty at some definite time and place, and
29 the death was not the result of the member's willful misconduct, or
30 (d) of any age who, at the time of the member's or retirant's death, is
31 disabled because of an intellectual disability or physical incapacity,
32 is unable to do any substantial, gainful work because of the
33 impairment and his impairment has lasted or can be expected to last
34 for a continuous period of not less than 12 months, as affirmed by
35 the medical board.

36 (22) "Parent" shall mean the parent of a member who was
37 receiving at least one-half of his support from the member in the
38 12-month period immediately preceding the member's death or the
39 accident which was the direct cause of the member's death. The
40 dependency of such a parent will be considered terminated by
41 marriage of the parent subsequent to the death of the member.

42 (23) (a) "Widower," for employees of the State, means the man
43 to whom a member or retirant was married, or a domestic partner as
44 defined in section 3 of P.L.2003, c.246 (C.26:8A-3), on the date of
45 her death and who has not since remarried or established a domestic
46 partnership. In the event of the payment of accidental death
47 benefits, pursuant to section 10 of P.L.1944, c.255 (C.43:16A-10),

1 the restriction concerning remarriage or establishment of a domestic
2 partnership shall be waived.

3 (b) Subject to the provisions of paragraph (c) of this subsection,
4 "widower," for employees of public employers other than the State,
5 means the man to whom a member or retirant was married on the
6 date of her death and who has not remarried.

7 (c) A public employer other than the State may adopt a
8 resolution providing that the term "widower" as defined in
9 paragraph (b) of this subsection shall include domestic partners as
10 provided in paragraph (a) of this subsection.

11 (24) (a) "Widow," for employees of the State, means the woman
12 to whom a member or retirant was married, or a domestic partner as
13 defined in section 3 of P.L.2003, c.246 (C.26:8A-3), on the date of
14 his death and who has not since remarried or established a domestic
15 partnership. In the event of the payment of accidental death
16 benefits, pursuant to section 10 of P.L.1944, c.255 (C.43:16A-10),
17 the restriction concerning remarriage or establishment of a domestic
18 partnership shall be waived.

19 (b) Subject to the provisions of paragraph (c) of this subsection,
20 "widow," for employees of public employers other than the State,
21 means the woman to whom a member or retirant was married on the
22 date of his death and who has not remarried.

23 (c) A public employer other than the State may adopt a
24 resolution providing that the term "widow" as defined in paragraph
25 (b) of this subsection shall include domestic partners as provided in
26 paragraph (a) of this subsection.

27 (25) "Fiscal year" shall mean any year commencing with July 1,
28 and ending with June 30, next following.

29 (26) (a) "Compensation" shall mean the base salary, for services
30 as a member as defined in this act, which is in accordance with
31 established salary policies of the member's employer for all
32 employees in the same position but shall not include individual
33 salary adjustments which are granted primarily in anticipation of
34 the member's retirement or additional remuneration for performing
35 temporary duties beyond the regular workday.

36 (b) In the case of a person who becomes a member of the
37 retirement system on or after the effective date of P.L.2010, c.1,
38 "compensation" means the amount of base salary equivalent to the
39 annual maximum wage contribution base for Social Security,
40 pursuant to the Federal Insurance Contributions Act, for services as
41 a member as defined in this act, which is in accordance with
42 established salary policies of the member's employer for all
43 employees in the same position but shall not include individual
44 salary adjustments which are granted primarily in anticipation of
45 the member's retirement or additional remuneration for performing
46 temporary duties beyond the regular workday.

1 (27) "Department" shall mean any police or fire department of a
2 municipality or a fire department of a fire district located in a
3 township or a county police or park police department or the
4 appropriate department of the State or instrumentality thereof.

5 (28) (a) "Final compensation" means the compensation received
6 by the member in the last 12 months of creditable service preceding
7 his retirement or death.

8 (b) In the case of a person who becomes a member of the
9 retirement system on or after the effective date of P.L.2010, c.1,
10 "final compensation" means the average annual compensation for
11 service for which contributions are made during any three fiscal
12 years of membership providing the largest possible benefit to the
13 member or the member's beneficiary.

14 (29) (Deleted by amendment, P.L.1992, c.78).

15 (30) (Deleted by amendment, P.L.1992, c.78).

16 (31) (a) "Spouse," for employees of the State, means the husband
17 or wife, or domestic partner as defined in section 3 of P.L.2003,
18 c.246 (C.26:8A-3), of a member.

19 (b) Subject to the provisions of paragraph (c) of this subsection,
20 "spouse," for employees of public employers other than the State,
21 means the husband or wife of a member.

22 (c) A public employer other than the State may adopt a
23 resolution providing that the term "spouse" as defined in paragraph
24 (b) of this subsection shall include domestic partners as provided in
25 paragraph (a) of this subsection.

26 (32) "Normal retirement age" means the age at which the
27 member is first eligible for a service retirement based on age under
28 section 5 of P.L.1944, c.255 (C.43:16A-5).

29 (cf: P.L.2010, c.50, s.74)

30

31 12. Section 1 of P.L.1993, c.247 (C.43:16A-3.8) is amended to
32 read as follows:

33 1. a. The following are eligible, regardless of age, to become
34 members of the Police and Firemen's Retirement System of New
35 Jersey (PFRS) as provided in this supplementary act:

36 (1) any policeman or fireman employed on the effective date of
37 this supplementary act by a municipality, which was not required to
38 participate in PFRS under section 3 of P.L.1944, c.255 (C.43:16A-
39 3) and has not adopted that act, who meets the requirements for
40 membership in PFRS as set forth in the definitions of "Policeman"
41 and "Fireman" in section 1 of that act, as amended and
42 supplemented, and who is enrolled in the Public Employees'
43 Retirement System of New Jersey (PERS) on that date;

44 (2) any policeman employed on the effective date of this
45 supplementary act by a county who is enrolled in PERS on that
46 date;

- 1 (3) any sheriff's officer, sergeant sheriff's officer, lieutenant
2 sheriff's officer, captain sheriff's officer, chief sheriff's officer, or
3 sheriff's investigator employed on the effective date of this
4 supplementary act in the offices of the county sheriffs who is
5 enrolled in PERS on that date;
- 6 (4) any correction officer, senior correction officer, correction
7 officer sergeant, correction officer lieutenant, correction officer
8 captain, investigator, senior investigator, principal investigator,
9 assistant chief investigator, chief investigator, or director of custody
10 operations I, II, III employed on the effective date of this
11 supplementary act in the Department of Corrections who is enrolled
12 in PERS on that date;
- 13 (5) any county correction officer, county correction sergeant,
14 county correction lieutenant, county correction captain, or county
15 deputy warden employed on the effective date of this
16 supplementary act in the several county jails who is enrolled in
17 PERS on that date;
- 18 (6) any principal inspector employed on the effective date of
19 this supplementary act in the Alcoholic Beverage Control
20 Enforcement Bureau, Department of Law and Public Safety who is
21 enrolled in PERS on that date;
- 22 (7) any police officer, police sergeant, or police lieutenant
23 employed on the effective date of this supplementary act in the
24 Department of Human Services who is enrolled in PERS on that
25 date; and
- 26 (8) any fireman employed on the effective date of this
27 supplementary act by a fire district in which the provisions of
28 P.L.1944, c.255 (C.43:16A-1 et seq.) are not operative who meets
29 the requirements for membership in PFRS as set forth in the
30 definition of "Fireman" in section 1 of that act, as amended and
31 supplemented, and who is enrolled in PERS on that date.
- 32 b. Any person eligible pursuant to subsection a. of this section
33 to become a member of PFRS may, regardless of age, transfer
34 membership from PERS to PFRS in accordance with the provisions
35 of the law and regulations governing the retirement system relative
36 to interfund transfers by waiving, within 90 days of the effective
37 date of this supplementary act, all rights and benefits which would
38 otherwise be provided by PERS. If an eligible person does not file
39 a timely waiver of PERS benefits, the person's pension status shall
40 remain unchanged and the person's membership shall not be
41 transferred to PFRS. Transfers under this section shall take effect
42 on the first day of the first full calendar month following the
43 effective date of this supplementary act by at least 180 days. PERS
44 shall transmit to PFRS an amount equal to the present value of the
45 benefit under PERS accrued to the date of transfer by each person
46 transferring to PFRS. The service credit accrued in PERS to the
47 date of transfer shall be transferred to PFRS and may be used to

1 meet any service credit requirement for benefits under PFRS. Any
2 benefit of a member who transfers membership from PERS to PFRS
3 under this supplementary act based upon service credit shall be the
4 amount of benefit determined as provided under PFRS based upon
5 the total amount of service credit multiplied by the ratio of the
6 service credit under PFRS from the date of transfer to the total
7 amount of service credit, plus a benefit comparable to a PERS
8 deferred, early or regular service retirement benefit, as appropriate,
9 based upon the age of the member at the time of retirement and the
10 amount of PERS service credit transferred to PFRS, determined as
11 provided under the law and regulations governing PERS for the
12 benefit. The total amount of service credit in PFRS, including the
13 transferred PERS service credit, may be used to meet the service
14 credit requirement for the benefit comparable to a PERS deferred or
15 early retirement benefit, but the benefit shall be calculated only on
16 the transferred PERS service credit.

17 Active and retired death benefits, accidental death benefits, and
18 ordinary and **【accidental】** work-related disability retirement
19 benefits for members transferring to PFRS under this supplementary
20 act shall be the benefits provided under PFRS.

21 For members transferring to PFRS under this supplementary act,
22 the widows' or widowers' pensions provided under section 26 of
23 P.L.1967, c.250 (C.43:16A-12.1) shall be the amount of the benefit
24 determined as provided in section 26 multiplied by the ratio of the
25 service credit under PFRS from the date of transfer to the total
26 amount of service credit. Transferring members shall be entitled to
27 elect optional retirement allowances for the portions of their
28 retirement benefits based upon their PERS service credit as
29 provided under the laws and regulations governing selection of
30 optional retirement allowances under PERS.

31 (cf: P.L.1993, c.247, s.1)

32

33 13. Section 1 of P.L.2005, c.326 (C.43:16A-3.15) is amended to
34 read as follows:

35 1. a. Upon the approval by the municipal governing body, any
36 fireman employed by a municipality on the effective date of this act
37 who (1) was not eligible for membership in the Police and
38 Firemen's Retirement System (PFRS), established pursuant to
39 P.L.1944, c.255 (C.43:16A-1 et seq.), at the time of appointment to
40 a paid position pursuant to N.J.S.40A:14-42 through 40A:14-44, (2)
41 meets the requirements for membership in the retirement system as
42 set forth in the definition of "fireman" in section 1 of P.L.1944,
43 c.255 (C.43:16A-1) and (3) is enrolled in the Public Employees'
44 Retirement System of New Jersey (PERS), established pursuant to
45 P.L.1954, c.84 (C.43:15A-1 et seq.), on the effective date of this
46 act, is eligible to become a member of PFRS, regardless of age, and
47 may transfer membership from PERS to PFRS in accordance with

1 the provisions of the law and regulations governing the retirement
2 system relative to interfund transfers by waiving, within 90 days of
3 the effective date of this act, all rights and benefits which would
4 otherwise be provided by PERS. If an eligible person does not file
5 a timely waiver of PERS benefits, the person's pension status shall
6 remain unchanged and the person's membership shall not be
7 transferred to PFRS. Transfers under this section shall take effect
8 on the first day of the first full calendar month following the
9 effective date of this act by at least 180 days. PERS shall transmit
10 to PFRS an amount equal to the present value of the benefit under
11 PERS accrued to the date of transfer by each person transferring to
12 PFRS. The service credit accrued in PERS to the date of transfer
13 shall be transferred to PFRS and may be used to meet any service
14 credit requirement for benefits under PFRS. Any benefit of a
15 member who transfers membership from PERS to PFRS under this
16 act based upon service credit shall be the amount of benefit
17 determined as provided under PFRS based upon the total amount of
18 service credit multiplied by the ratio of the service credit under
19 PFRS from the date of transfer to the total amount of service credit,
20 plus a benefit comparable to a PERS deferred, early or regular
21 service retirement benefit, as appropriate, based upon the age of the
22 member at the time of retirement and the amount of PERS service
23 credit transferred to PFRS, determined as provided under the law
24 and regulations governing PERS for the benefit. The total amount
25 of service credit in PFRS, including the transferred PERS service
26 credit, may be used to meet the service credit requirement for the
27 benefit comparable to a PERS deferred or early retirement benefit,
28 but the benefit shall be calculated only on the transferred PERS
29 service credit.

30 Active and retired death benefits, accidental death benefits, and
31 ordinary and **【accidental】** work-related disability retirement
32 benefits for members transferring to PFRS under this act shall be
33 the benefits provided under PFRS.

34 For members transferring to PFRS under this act, the widows' or
35 widowers' pensions provided under section 26 of P.L.1967, c.250
36 (C.43:16A-12.1) shall be the amount of the benefit determined as
37 provided in section 26 multiplied by the ratio of the service credit
38 under PFRS from the date of transfer to the total amount of service
39 credit. Transferring members shall be entitled to elect optional
40 retirement allowances for the portions of their retirement benefits
41 based upon their PERS service credit as provided under the laws
42 and regulations governing selection of optional retirement
43 allowances under PERS.

44 b. Notwithstanding the provisions of subsection a. of this
45 section, a fireman who transfers membership from PERS to PFRS
46 may receive full credit toward benefits under PFRS for the
47 transferred PERS service credit if the member agrees to pay the full

1 cost of the accrued liability for the transferred PERS service credit
2 in the same manner and subject to the same terms and conditions
3 provided for the purchase of credit for military service under
4 section 3 of P.L.1991, c.153 (C.43:16A-11.11).

5 c. The State shall not be liable for additional costs incurred by
6 a local employer as a result of the transfers permitted by this
7 section.

8 (cf: P.L.2005, c.326, s.1)

9
10 14. Section 6 of P.L.1944, c.255 (C.43:16A-6) is amended to
11 read as follows:

12 6. (1) (a) Upon the written application by a member in service,
13 by one acting in his behalf or by his employer, any member, under
14 **[55 years of age]** normal retirement age, who has had **[four]** ten or
15 more years of creditable service may be retired on an ordinary
16 disability retirement allowance; provided, that the medical board,
17 after a medical examination of such member, shall certify that such
18 member is mentally or physically incapacitated for the performance
19 of his usual duty and of any other available duty in the department
20 which his employer is willing to assign to him and that such
21 incapacity is likely to be permanent and to such an extent that he
22 should be retired.

23 (b) Upon the written application by a member in service, by one
24 acting in his behalf or by his employer, any member under normal
25 retirement age who has less than 10 years of creditable service may
26 be retired on a work-related disability retirement allowance, if he
27 meets the requirements of the medical examination under paragraph
28 (a) of this subsection and the incapacity from the performance of
29 duties is the direct result of an accident or occupational exposure
30 occurring during and as a result of his regular and assigned duties
31 and not the result of willful negligence. In order to qualify for a
32 work-related disability benefit, the member shall have received a
33 workers' compensation award of permanent disability under
34 R.S.34:15-1 et seq. The board may, in its discretion, waive the
35 requirement for a medical examination under this subsection when
36 the Division of Workers' Compensation in the Department of Labor
37 and Workforce Development has determined that the member is 100
38 percent totally and permanently disabled.

39 (2) Upon retirement for ordinary or work-related disability, a
40 member shall receive **[an ordinary]** a disability retirement
41 allowance which shall consist of:

42 (a) An annuity which shall be the actuarial equivalent of his
43 aggregate contributions and

44 (b) A pension in the amount which, when added to the member's
45 annuity, will provide a total retirement allowance of 1 1/2 % of
46 final compensation multiplied by his number of years of creditable

1 service but in no event shall the total allowance be less than 40% of
2 the member's final compensation.

3 (3) **【**Notwithstanding the provisions of subsection (2) of this
4 section, a member who has more than 20 but less than 25 years of
5 creditable service and who is required to retire upon application by
6 the employer on or after the effective date of P.L.1999, c.428, shall
7 receive an ordinary disability retirement allowance which shall
8 consist of:

9 (a) An annuity which shall be the actuarial equivalent of the
10 member's aggregate contributions; and

11 (b) A pension in the amount which, when added to the member's
12 annuity, will provide a total retirement allowance of 50% of final
13 compensation plus 3% of final compensation multiplied by the
14 number of years of creditable service over 20 but not over 25**】**

15 (Deleted by amendment, P.L. , c. (pending before the
16 Legislature as this bill)).

17 (4) Upon the receipt of proper proofs of the death of a member
18 who has retired on **【**an ordinary**】** a disability retirement allowance,
19 there shall be paid to such member's beneficiary, an amount equal
20 to 3 1/2 times the compensation upon which contributions by the
21 member to the annuity savings fund were based in the last year of
22 creditable service; provided, however, that if such death shall occur
23 after the member shall have attained 55 years of age the amount
24 payable shall equal 1/2 of such compensation instead of 3 1/2 times
25 such compensation.

26 (cf: P.L.1999, c.428, s.3)

27

28 15. Section 8 of P.L.1944, c.255 (C.43:16A-8) is amended to
29 read as follows:

30 8. (1) Upon the receipt by the retirement system of a written
31 application for a disability retirement allowance, the system shall
32 refer the application to the medical board, which shall designate a
33 physician or physicians to examine the applicant and the report of
34 the medical board shall be considered by the board of trustees in
35 acting upon such application.

36 (2) Any beneficiary under **【**the age of 55 years**】** normal
37 retirement age who has been retired on a disability retirement
38 allowance under this act, on his request shall, or upon the request of
39 the retirement system may, be given a medical examination and he
40 shall submit to any examination by a physician or physicians
41 designated by the medical board once a year for at least a period of
42 five years following his retirement in order to determine whether or
43 not the disability which existed at the time he was retired has
44 vanished or has materially diminished. If the report of the medical
45 board shall show that such beneficiary is able to perform either his
46 former duty or any other available duty in the department which his
47 employer is willing to assign to him, the beneficiary shall report for

1 duty; such a beneficiary shall not suffer any loss of benefits while
2 he awaits his restoration to active service. If the beneficiary fails to
3 submit to any such medical examination or fails to return to duty
4 within 10 days after being ordered so to do, or within such further
5 time as may be allowed by the board of trustees for valid reason, as
6 the case may be, the pension shall be discontinued during such
7 default.

8 (3) (Deleted by amendment.)

9 (4) If a disability beneficiary is restored to active service, his
10 retirement allowance and the right to any death benefit as a result of
11 his former membership, shall be canceled until he again retires.

12 Such person shall be reenrolled in the retirement system and
13 shall contribute thereto at a rate based on his age at the time of prior
14 enrollment. Such person shall be treated as an active member for
15 determining disability or death benefits while in service.

16 Upon subsequent retirement of such member, he shall receive a
17 retirement allowance based on all his service as a member
18 computed in accordance with applicable provisions of this act, but
19 the total retirement allowance upon subsequent retirement shall not
20 be a greater proportion of his average final compensation or final
21 compensation, whichever is applicable, than the proportion to which
22 he would have been entitled had he remained in service during the
23 period of his prior retirement. Any death benefit to which such
24 member shall be eligible shall be based on his latest retirement.

25 (5) If the disability beneficiary is under normal retirement age
26 and engaged in an occupation, then the amount of his pension shall
27 be reduced to an amount which when added to the amount then
28 earned by him, shall not exceed the amount of the salary now
29 attributable to his former position. If his earnings have changed
30 since the date of his last adjustment, then the amount of his pension
31 may be further altered, but the new pension shall not exceed the
32 amount of pension originally granted.

33 (cf: P.L.1999, c.428, s.4)

34
35 16. Section 30 of P.L.1967, c.250 (C.43:16A-15.2) is amended
36 to read as follows:

37 30. a. If any member of the retirement system receives periodic
38 benefits payable under the Workers' Compensation Law during the
39 course of his active service, in lieu of his normal compensation, his
40 regular salary deductions shall be paid to the retirement system by
41 his employer. Such payments shall be computed, in accordance
42 with section 15 of P.L.1944, c.255 (C.43:16A-15), at the rate of
43 contribution on the base salary subject to the retirement system, just
44 prior to the receipt of the workers' compensation benefits. The
45 moneys paid by the employer shall be credited to the member's
46 account in the annuity savings fund and shall be treated as
47 employee contributions for all purposes. The employer will

1 terminate the payment of these moneys when the periodic benefits
2 payable under the Workers' Compensation Law are terminated or
3 when the member retires.

4 The member for whom the employer is making such payments,
5 will be considered as if he were in the active service.

6 b. An application for retirement benefits may be approved by
7 the board of trustees while the member, applying for such benefits,
8 is in receipt of periodic benefits under the Workers' Compensation
9 Law. If a retirant receiving an accidental or work-related disability
10 retirement allowance becomes a recipient of periodic benefits under
11 the workers' compensation law after the date of retirement, the
12 pension portion of the retirement allowance payable to the retirant
13 shall be reduced, during the period of the payment of the periodic
14 benefits, dollar-for-dollar in the amount of the periodic benefits
15 received after the date of retirement, subject to the provisions of
16 section 19 of P.L.1971, c.175 (C.43:16A-12.4). Notwithstanding
17 the provisions of R.S.34:15-26 and R.S.34:15-40, the amount of the
18 dollar-for-dollar reduction from the receipt of workers'
19 compensation periodic benefits shall not be reduced by a payment
20 for legal services nor by receipt of a third party recovery. The
21 reduction provided for herein shall not affect the retirant's pension
22 adjustment benefits or survivor benefits that may be payable upon
23 the death of the retirant.

24 If a work-related disability retirant or an accidental disability
25 retirant approved prior to the effective date of P.L. , c. (pending
26 before the Legislature as this bill) receives a retirement allowance
27 without reduction and periodic benefits under the workers'
28 compensation law for any period of time after the date of
29 retirement, the retirant shall repay to the retirement system the
30 amount of the pension portion of the retirement allowance which
31 should have been subject to reduction under this subsection. The
32 repayment may be in the form of a lump sum payment or scheduled
33 as deductions from the retirant's retirement allowance and pension
34 adjustment benefits. If the retirant dies before full repayment of the
35 amount required, the remaining balance shall be deducted from any
36 death benefits payable on behalf of the retirant.
37 (cf: P.L.1995, c.369, s.3)

38

39 17. Section 3 of P.L.1965, c.89 (C.53:5A-3) is amended to read
40 as follows:

41 3. As used in this act:

42 a. "Aggregate contributions" means the sum of all the amounts,
43 deducted from the salary of a member or contributed by him or on
44 his behalf, standing to the credit of his individual account in the
45 Annuity Savings Fund. Interest credited on contributions to the
46 former "State Police Retirement and Benevolent Fund" shall be
47 included in a member's aggregate contributions.

- 1 b. "Annuity" means payments for life derived from the
2 aggregate contributions of a member.
- 3 c. "Annuity reserve" means the present value of all payments
4 to be made on account of any annuity or benefit in lieu of an
5 annuity, computed upon the basis of such mortality tables
6 recommended by the actuary as the board of trustees adopts and
7 regular interest.
- 8 d. "Beneficiary" means any person entitled to receive any
9 benefit pursuant to the provisions of this act by reason of the death
10 of a member or retirant.
- 11 e. "Board of trustees" or "board" means the board provided for
12 in section 30 of this act.
- 13 f. "Child" means a deceased member's or retirant's unmarried
14 child either (a) under the age of 18 or (b) of any age who, at the
15 time of the member's or retirant's death, is disabled because of an
16 intellectual disability or physical incapacity, is unable to do any
17 substantial, gainful work because of the impairment and his
18 impairment has lasted or can be expected to last for a continuous
19 period of not less than 12 months, as affirmed by the medical board.
- 20 g. "Creditable service" means service rendered for which credit
21 is allowed on the basis of contributions made by the member or the
22 State.
- 23 h. "Parent" means the parent of a member who was receiving at
24 least one-half of his support from the member in the 12-month
25 period immediately preceding the member's death or the accident
26 which was the direct cause of the member's death. The dependency
27 of such a parent will be considered terminated by marriage of the
28 parent subsequent to the death of the member.
- 29 i. (1) "Final compensation" means the average compensation
30 received by the member in the last 12 months of creditable service
31 preceding his retirement or death. Such term includes the value of
32 the member's maintenance allowance for this same period.
- 33 (2) In the case of a person who becomes a member of the
34 retirement system on or after the effective date of P.L.2010, c.1,
35 "final compensation" means the average annual compensation for
36 service for which contributions are made during any three fiscal
37 years of membership providing the largest possible benefit to the
38 member or the member's beneficiary. Such term includes the value
39 of the member's maintenance allowance for this same period.
- 40 j. (1) "Final salary" means the average salary received by the
41 member in the last 12 months of creditable service preceding his
42 retirement or death. Such term shall not include the value of the
43 member's maintenance allowance.
- 44 (2) In the case of a person who becomes a member of the
45 retirement system on or after the effective date of P.L.2010, c.1,
46 "final salary" means the average annual salary for service for which
47 contributions are made during any three fiscal years of membership

- 1 providing the largest possible benefit to the member or the
2 member's beneficiary. Such term shall not include the value of the
3 member's maintenance allowance.
- 4 k. "Fiscal year" means any year commencing with July 1 and
5 ending with June 30 next following.
- 6 l. "Medical board" means the board of physicians provided for
7 in section 30 of this act.
- 8 m. "Member" means any full-time, commissioned officer, non-
9 commissioned officer or trooper of the Division of State Police of
10 the Department of Law and Public Safety of the State of New Jersey
11 enrolled in the retirement system established by this act.
- 12 n. "Pension" means payment for life derived from contributions
13 by the State.
- 14 o. "Pension reserve" means the present value of all payments to
15 be made on account of any pension or benefit in lieu of any pension
16 computed on the basis of such mortality tables recommended by the
17 actuary as shall be adopted by the board of trustees and regular
18 interest.
- 19 p. "Regular interest" means interest as determined by the State
20 Treasurer, after consultation with the Directors of the Divisions of
21 Investment and Pensions, the board of trustees and the actuary. It
22 shall bear a reasonable relationship to the percentage rate of
23 earnings on investments based on the market value of the assets but
24 shall not exceed the assumed percentage rate of increase applied to
25 salaries plus 3%, provided however that the board of trustees shall
26 not set the average percentage rate of increase applied to salaries
27 below 6%.
- 28 q. "Retirant" means any former member receiving a retirement
29 allowance as provided by this act.
- 30 r. "Retirement allowance" means the pension plus the annuity.
- 31 s. "State Police Retirement System of New Jersey," herein also
32 referred to as the "retirement system" or "system," is the corporate
33 name of the arrangement for the payment of retirement allowances
34 and of the benefits under the provisions of this act including the
35 several funds placed under said system. By that name, all of its
36 business shall be transacted, its funds invested, warrants for moneys
37 drawn, and payments made and all of its cash and securities and
38 other property held. All assets held in the name of the former
39 "State Police Retirement and Benevolent Fund" shall be transferred
40 to the retirement system established by this act.
- 41 t. "Surviving spouse" means the person to whom a member or
42 a retirant was married, or a domestic partner as defined in section 3
43 of P.L.2003, c.246 (C.26:8A-3), on the date of the death of the
44 member or retirant. The dependency of such a surviving spouse will
45 be considered terminated by the marriage of, or establishment of a
46 domestic partnership by, the surviving spouse subsequent to the
47 member's or the retirant's death, except that in the event of the

1 payment of accidental death benefits, pursuant to section 14 of
2 P.L.1965, c.89 (C.53:5A-14), the dependency of such a surviving
3 spouse or domestic partner will not be considered terminated by the
4 marriage of, or establishment of a domestic partnership by, the
5 surviving spouse subsequent to the member's death.

6 u. (1) "Compensation" for purposes of computing pension
7 contributions means the base salary, for services as a member as
8 defined in this act, which is in accordance with established salary
9 policies of the State for all employees in the same position but shall
10 not include individual salary adjustments which are granted
11 primarily in anticipation of the member's retirement or additional
12 remuneration for performing temporary duties beyond the regular
13 workday or shift.

14 (2) In the case of a person who becomes a member of the
15 retirement system on or after the effective date of P.L.2010, c.1,
16 "compensation" means the amount of base salary equivalent to the
17 annual maximum wage contribution base for Social Security,
18 pursuant to the Federal Insurance Contributions Act, for services as
19 a member as defined in this act, which is in accordance with
20 established salary policies of the State for all employees in the same
21 position but shall not include individual salary adjustments which
22 are granted primarily in anticipation of the member's retirement or
23 additional remuneration for performing temporary duties beyond
24 the regular workday or shift.

25 v. "Normal retirement age" means the age at which the member
26 is first eligible for a service retirement based on age under section 8
27 of P.L.1965, c.89 (C.53:5A-8).

28 (cf: P.L.2010, c.50, s.80)

29
30 18. Section 9 of P.L.1965, c.89 (C.53:5A-9) is amended to read
31 as follows:

32 9. a. (1) Upon the written application by a member in service,
33 by one acting in his behalf or by the State, any member, under [55
34 years of] normal retirement age, who has had [four] ten or more
35 years of creditable service as a State policeman, or [four] ten or
36 more years of creditable service as a person formerly employed by
37 the Division of Motor Vehicles or the Division of State Police prior
38 to appointment as provided in section 3 of P.L.1983, c.403 (C.39:2-
39 9.3), or [four] ten or more years of creditable service as a person
40 formerly employed by the Alcoholic Beverage Control Enforcement
41 Bureau, the State Capitol Police Force, or the Bureau of Marine
42 Law Enforcement prior to appointment as provided in section 1 of
43 P.L.1997, c.19 (C.53:1-8.2), may be retired, not less than one month
44 next following the date of filing such application with the
45 retirement system, on an ordinary disability retirement allowance;
46 provided, that the medical board, after a medical examination of
47 such member, shall certify that such member is mentally or

1 physically incapacitated for the performance of his usual duty and
2 of any other available duty in the Division of State Police which the
3 Superintendent of State Police is willing to assign to him and that
4 such incapacity is likely to be permanent and of such an extent that
5 he should be retired.

6 (2) Upon the written application by a member in service under
7 normal retirement age, by one acting in his behalf or by his
8 employer, who has less than 10 years of creditable service may be
9 retired on a work-related disability retirement allowance, if he
10 meets the requirements of the medical examination under paragraph
11 (1) of this subsection and the incapacity from the performance of
12 duties is the direct result of an accident or occupational exposure
13 occurring during and as a result of his regular and assigned duties
14 and not the result of willful negligence. In order to qualify for a
15 work-related disability benefit, the member shall have received a
16 workers' compensation award of permanent disability under
17 R.S.34:15-1 et seq. The board may, in its discretion, waive the
18 requirement for a medical examination under this subsection where
19 the Division of Workers' Compensation in the Department of Labor
20 and Workforce Development has determined that the member is 100
21 percent totally and permanently disabled.

22 b. Upon retirement for ordinary or work-related disability, a
23 member shall receive **[an ordinary]** a disability retirement
24 allowance which shall consist of:

25 (1) An annuity which shall be the actuarial equivalent of his
26 aggregate contributions; and

27 (2) A pension in the amount which, when added to the member's
28 annuity, will provide a total retirement allowance of 1 1/2% of final
29 compensation multiplied by his number of years of creditable
30 service, but in no event shall the total allowance be less than 40% of
31 final compensation.

32 c. **[Notwithstanding the provisions of subsection b. of this**
33 **section, a member of the retirement system who has more than 20**
34 **but less than 25 years of creditable service and who is required to**
35 **retire pursuant to subsection a. of this section upon application by**
36 **the State made on or after October 1, 1988, shall receive an**
37 **ordinary disability retirement allowance which shall consist of:**

38 (1) An annuity which shall be the actuarial equivalent of the
39 member's aggregate contributions; and

40 (2) A pension in the amount which, when added to the member's
41 annuity, will provide a total retirement allowance of 50% of final
42 compensation plus 3% of final compensation multiplied by the
43 number of years of creditable service over 20 but not over 25.

44 Any increase in the disability retirement allowance of a member
45 who was required to retire on or after October 1, 1988 and prior to
46 the effective date of this amendatory and supplementary act,
47 P.L.1989, c.308, shall be retroactive to the date of retirement**]**

1 (Deleted by amendment, P.L. , c. (pending before the
2 Legislature as this bill)).

3 d. Upon the receipt of proper proofs of the death of a member
4 who has retired on an ordinary or work-related disability retirement
5 allowance, there shall be paid to the member's beneficiary an
6 amount equal to three and one-half times the final compensation
7 received by the member in the last year of creditable service;
8 provided, however, that if such death shall occur after the member
9 shall have attained 55 years of age, the amount payable shall equal
10 one-half of such compensation instead of three and one-half times
11 such compensation.

12 (cf: P.L.1997, c.19, s.10)

13
14 19. (New section) a. Once each year the retirement system
15 may, and upon his application shall, require any disability
16 beneficiary who is under normal retirement age to undergo a
17 medical examination by a physician or physicians designated by the
18 system for a period of five years following his retirement in order to
19 determine whether or not the disability which existed at the time he
20 was retired has vanished or has materially diminished. If the
21 disability beneficiary is under normal retirement age and engaged in
22 an occupation, then the amount of his pension shall be reduced to an
23 amount which when added to the amount then earned by him, shall
24 not exceed the amount of the salary now attributable to his former
25 position. If his earnings have changed since the date of his last
26 adjustment, then the amount of his pension may be further altered;
27 but the new pension shall not exceed the amount of pension
28 originally granted.

29 If a disability beneficiary, while under normal retirement age,
30 refuses to submit to at least one medical examination in any year by
31 a physician or physicians designated by the system, his pension
32 shall be discontinued until withdrawal of his refusal. If the report
33 of the medical board shall show that such beneficiary is able to
34 perform either his former duty or other comparable duty which his
35 former employer is willing to assign to him, the beneficiary shall
36 report for duty. Such a beneficiary shall not suffer any loss of
37 benefits while he awaits his restoration to active service. If the
38 beneficiary fails to return to duty within 10 days after being ordered
39 so to do, or within such further time as may be allowed by the board
40 of trustees for valid reason as the case may be, the pension shall be
41 discontinued during such default.

42 b. If a disability beneficiary becomes employed again in a
43 position which makes him eligible to be a member of the retirement
44 system, his allowance and the right to any death benefit as a result
45 of his former membership shall be canceled until he retires.

1 Such person shall be reenrolled in the retirement system and
2 shall be treated as an active member based upon his prior
3 enrollment.

4 Upon subsequent retirement of such member, he shall receive a
5 retirement allowance based on all his service as a member
6 computed in accordance with applicable provisions of P.L.1965,
7 c.89 (C.53:5A-1 et seq.), but the total retirement allowance upon
8 subsequent retirement shall not be a greater proportion of his final
9 compensation than the proportion to which he would have been
10 entitled had he remained in service during the period of his prior
11 retirement. Any death benefit to which such member shall be
12 eligible shall be based on his latest retirement.

13
14 20. Section 30 of P.L.1971, c.181 (C.53:5A-38.1) is amended to
15 read as follows:

16 30. a. If any member of the retirement system receives periodic
17 benefits payable under the Workers' Compensation Law during the
18 course of his active service, in lieu of his normal compensation, his
19 regular salary deductions shall be paid to the retirement system by
20 his employer. Such payments shall be computed, in accordance
21 with section 38 of P.L.1965, c.89 (C.53:5A-38), at the rate of
22 contribution on the base salary subject to the retirement system, just
23 prior to the receipt of the workers' compensation benefits. The
24 moneys paid by the employer shall be credited to the member's
25 account in the annuity savings fund and shall be treated as
26 employee contributions for all purposes. The employer will
27 terminate the payment of these moneys when the periodic benefits
28 payable under the Workers' Compensation Law are terminated or
29 when the member retires.

30 The member for whom the employer is making such payments,
31 will be considered as if he were in the active service.

32 b. An application for retirement benefits may be approved by
33 the board of trustees while the member, applying for such benefits,
34 is in receipt of periodic benefits under the Workers' Compensation
35 Law. If a retirant receiving an accidental or a work-related
36 disability retirement allowance becomes a recipient of periodic
37 benefits under the workers' compensation law after the date of
38 retirement, the pension portion of the retirement allowance payable
39 to the retirant shall be reduced, during the period of the payment of
40 the periodic benefits, dollar-for-dollar in the amount of the periodic
41 benefits received after the date of retirement, subject to the
42 provisions of section 31 of P.L.1971, c.181 (C.53:5A-15.3). The
43 reduction provided for herein shall not affect the retirant's pension
44 adjustment benefits or survivor benefits that may be payable upon
45 the death of the retirant.

46 If a work-related disability retirant or an accidental disability
47 retirant approved prior to the effective date of P.L. , c. (pending

1 before the Legislature as this bill) receives a retirement allowance
2 without reduction and periodic benefits under the workers'
3 compensation law for any period of time after the date of
4 retirement, the retirant shall repay to the retirement system the
5 amount of the pension portion of the retirement allowance which
6 should have been subject to reduction under this subsection. The
7 repayment may be in the form of a lump sum payment or scheduled
8 as deductions from the retirant's retirement allowance and pension
9 adjustment benefits. If the retirant dies before full repayment of the
10 amount required, the remaining balance shall be deducted from any
11 death benefits payable on behalf of the retirant.
12 (cf: P.L.1995, c.369, s.4)

13

14 21. Section 12 of P.L.1973, c.140 (C.43:6A-12) is amended to
15 read as follows:

16 12 a. Whenever the Supreme Court shall certify to the
17 Governor, any member who shall have served as a judge of the
18 several courts, may be retired for disability if the member has
19 become physically or otherwise incapacitated for full and efficient
20 service to the State in his judicial capacity. The Governor shall
21 thereupon refer the disability claim to three physicians of skill and
22 repute in their profession and residents of this State who shall
23 examine the member and report to the Governor as to his physical
24 or other disability and whether in all reasonable probability, if they
25 find the disability existent, it will continue permanently and does
26 and will continue to prevent the member from giving full and
27 efficient service in the performance of his judicial duties. If the
28 report confirms the existence of the disability, and if the Governor
29 approves the report, the member shall be retired not less than 1
30 month next following the date of filing of an application with the
31 retirement system, and he shall receive a retirement allowance
32 which shall consist of an annuity which is the actuarial equivalent
33 of his accumulated deductions together with regular interest, and a
34 pension which, when added to the member's annuity, will provide a
35 retirement allowance during the remainder of his life in an amount
36 equal to **【three fourths of this final salary】** 1½% of salary
37 multiplied by his number of years of aggregate service as a judge,
38 or in office, position, or employment of this State or of a county,
39 municipality, board of education or public agency of this State; and
40 provided further, that in no event shall the allowance be less than
41 40% of salary.

42 b. If the disability beneficiary is engaged in an occupation, then
43 the amount of his pension shall be reduced to an amount which
44 when added to the amount then earned by him, shall not exceed the
45 amount of the salary now attributable to his former position. If his
46 earnings have changed since the date of his last adjustment, then the

1 amount of his pension may be further altered, but the new pension
2 shall not exceed the amount of pension originally granted.

3 (cf: P.L.1981, c.470, s.6)

4
5 22. (New section) Notwithstanding the provisions of 18A:66-
6 56, 43:6A-29, 43:15A-17, 43:16A-13 and 53:5A-30 as amended by
7 sections 1 through 5 of P.L.2011, c.78, a committee established
8 under that act, shall not modify the amount of a work-related
9 disability retirement established under P.L. , c. (pending before
10 the Legislature as this bill).

11
12 23. The following sections are repealed:

13 Section 10 of P.L.2010, c.3 (C.18A:66-39.1);

14 N.J.S.18A:66-42;

15 Section 11 of P.L.2010, c.3 (C.43:15A-42.1);

16 Section 46 of P.L.1954, c.84 (C.43:15A-46);

17 Section 1 of P.L.1989, c.103 (C.43:16A-6.1);

18 Section 7 of P.L.1944, c.255 (C.43:16A-7); and

19 Section 10 of P.L.1965, c.89 (C.53:5A-10).

20
21 24. This act shall take effect immediately.

22 23 24 STATEMENT

25
26 This bill replaces the accidental disability benefit available to
27 members of the Teachers' Pension and Annuity Fund (TPAF), the
28 Public Employees' Retirement System (PERS), the Police and
29 Firemen's Retirement System (PFRS) and the State Police
30 Retirement System (SPRS) with a new work-related disability
31 benefit that is the same as the TPAF, PERS, PFRS and SPRS
32 ordinary disability benefit of 1½% of compensation for each year of
33 service but no less than 40% of compensation. The bill also (1)
34 reduces the percentage applied to compensation to 1½% from
35 1.64% for TPAF and PERS to parallel to the benefits of PFRS and
36 SPRS; (2) increases to ten from four the years of service credit
37 required before a PFRS or SPRS member becomes eligible for
38 ordinary disability retirement to parallel the requirements of TPAF
39 and PERS; (3) repeals sections of P.L. 2010, c. 3 providing that new
40 TPAF and PERS members would be eligible for disability insurance
41 instead of a disability pension; and (4) repeals the accidental
42 disability allowance sections of law for TPAF, PERS, PFRS and
43 SPRS.

44 Under the bill, any TPAF, PERS, PFRS or SPRS member under
45 normal retirement age who has fewer than 10 years of creditable
46 service may be retired on a work-related disability retirement
47 allowance, if the member meets the requirements of a medical

1 examination certifying that the member is mentally or physically
2 incapacitated for the performance of usual duty and of any other
3 available duty, and the incapacity from the performance of duties is
4 the direct result of an accident or occupational exposure occurring
5 during and as a result of regular and assigned duties and not the
6 result of willful negligence. In order to qualify for a work-related
7 disability benefit, the member must receive a workers'
8 compensation award of permanent disability. The requirement for a
9 medical examination may be waived when the Division of Workers'
10 Compensation in the Department of Labor and Workforce
11 Development has determined that the member is 100% totally and
12 permanently disabled. The bill defines "normal retirement age" for
13 these systems as the age at which a member is first eligible for a
14 service retirement benefit.

15 The bill allows SPRS to require any disability retiree who is
16 under normal retirement age to undergo a medical examination by a
17 physician or physicians designated by the system for a period of
18 five years following retirement in order to determine whether or not
19 the disability has vanished or has materially diminished. TPAF,
20 PERS and PFRS members are already subject to this requirement.
21 In addition, the bill provides that if the PFRS or SPRS disability
22 retiree is under normal retirement age and engaged in an
23 occupation, then the amount of the disability pension will be
24 reduced to an amount which when added to the amount then earned
25 will not exceed the amount of the salary now attributable to the
26 retiree's former position. TPAF and PERS disability retirees are
27 already subject to such a reduction. A work-related disability
28 benefit will be reduced by the amount of workers' compensation
29 benefits in the same manner as currently provided with regard to an
30 accidental disability benefit.

31 The bill also modifies the law governing the Judicial Retirement
32 System to provide disability retirement benefits in an amount
33 comparable to other State employees. Under current law, a judge of
34 the several courts may be retired for disability if the member has
35 become physically or otherwise incapacitated for full and efficient
36 service to the State in his judicial capacity. The bill changes the
37 amount of the disability retirement benefit from 75% of final salary
38 to 1½% of salary multiplied by his number of years of aggregate
39 service as a judge, or in office, position, or employment of this
40 State or of a county, municipality, board of education or public
41 agency of this State; and further provides, that in no event shall the
42 allowance be less than 40% of final salary. If the disability
43 beneficiary is engaged in an occupation, then the amount of his
44 pension shall be reduced to an amount which when added to the
45 amount then earned by him, shall not exceed the amount of the
46 salary now attributable to his former position. If his earnings have
47 changed since the date of his last adjustment, then the amount of his

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1 pension may be further altered, but the new pension shall not
2 exceed the amount of pension originally granted.

3 The bill also provides that the pension committees established
4 pursuant to sections 1 through 5 of P.L.2011, c.78, shall not modify
5 the amount of a work-related disability retirement established under
6 this act.