

# SENATE, No. 1913

## STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED MAY 14, 2012

**Sponsored by:**

**Senator BRIAN P. STACK**

**District 33 (Hudson)**

**Co-Sponsored by:**

**Senator Beck**

**SYNOPSIS**

Changes certain eligibility criteria for TPAF, JRS, PERS, PFRS and SPRS disability benefits; requires Attorney General to establish fraud unit; creates temporary committee to recommend accidental disability standard for systems.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 9/13/2013)**

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2

1 AN ACT concerning disability retirement eligibility and benefits  
2 under the State-administered defined benefit pension systems,  
3 repealing sections 10 and 11 of P.L.2010, c.3, and amending and  
4 supplementing various parts of the statutory law.

5

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

8

9 1. (New section) a. There is hereby created an Accidental  
10 Disability Pension Review Committee, in, but not of, the  
11 Department of the Treasury, composed of 26 members as follows:

12 the State Treasurer, or a designee;

13 two members who shall be appointed by the Governor as  
14 representatives of public employers whose employees are enrolled  
15 in the Teachers' Pension and Annuity Fund;

16 one member who shall be appointed by the Governor as  
17 representative of the judges who are enrolled in the Judicial  
18 Retirement System;

19 five members who shall be appointed by the Governor as  
20 representatives of public employers whose employees are enrolled  
21 in the Public Employees' Retirement System;

22 three members who shall be appointed by the Governor as  
23 representatives of public employers whose employees are enrolled  
24 in the Police and Firemen's Retirement System;

25 one member who shall be appointed by the Governor as  
26 representative of the public employer whose employees are enrolled  
27 in the State Police Retirement System;

28 two members who shall be appointed by the New Jersey  
29 Education Association;

30 one member who shall be appointed by the Administrative Office  
31 of the Courts as representative of the judges who are enrolled in the  
32 Judicial Retirement System;

33 three members who shall be appointed by the Public Employee  
34 Committee of the AFL-CIO;

35 two members who shall be appointed by the head of the union,  
36 that is not affiliated with the AFL-CIO, that represents the greatest  
37 number of police officers in this State;

38 one member who shall be appointed by the New Jersey State  
39 Fraternal Order of Police;

40 two members who shall be appointed by the head of the union,  
41 that is not affiliated with the AFL-CIO, that represents the greatest  
42 number of firefighters in this State;

43 one member who shall be appointed by the head of a union that  
44 is affiliated with the AFL-CIO and represents firefighters in this  
45 State; and

**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.

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1       one member who shall be appointed by the head of the State  
2 Troopers Fraternal Association.

3       b. The members of the committee shall select the chairperson  
4 from among the members. The committee's initial meeting shall be  
5 held within five days following the appointment of all of its  
6 members. The committee shall hold at least three hearings at which  
7 the public shall be permitted to give testimony.

8       c. The committee shall study the current requirement that a  
9 member of the Teachers' Pension and Annuity Fund, the Judicial  
10 Retirement System, the Public Employees' Retirement System, the  
11 Police and Firemen's Retirement System, and the State Police  
12 Retirement System shall be permanently and totally disabled as a  
13 direct result of a traumatic event in order to be deemed eligible for  
14 the receipt of an accidental disability benefit and shall develop a  
15 recommendation for specific criteria detailing what must be  
16 demonstrated by a member in order to meet the traumatic event  
17 eligibility standard of that requirement. The committee shall make  
18 only one recommendation that shall be in the form of proposed  
19 legislation.

20       d. (1) The committee shall render its final report within 180  
21 days following the date of its initial meeting.

22       (2) The report containing the recommendation shall be  
23 transmitted, within 15 days after its adoption, to the President of the  
24 Senate and the Speaker of the General Assembly, to the members of  
25 the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-  
26 19.1), to the Governor, and to the boards of trustees of the  
27 Teachers' Pension and Annuity Fund, the Public Employees'  
28 Retirement System, the Police and Firemen's Retirement System,  
29 and the State Police Retirement System, and to the State House  
30 Commission.

31       Within 90 days after receipt of the report, the Legislature shall  
32 vote on legislation based on the recommendation of the committee.  
33 If both Houses of the Legislature do not pass legislation within 90  
34 days, or if both Houses do pass legislation but the Governor does  
35 not sign the legislation within 30 days after passage by both  
36 Houses, the boards of trustees or the State House Commission shall  
37 take action as provided pursuant to N.J.S.18A:66-39, section 12 of  
38 P.L.1973, c.140 (C.43:6A-12), section 43 of P.L.1954, c.84  
39 (C.43:15A-43), section 7 of P.L.1944, c.255 (C.43:16A-7), or  
40 section 10 of P.L.1965, c.89 (C.53:5A-10), respectively.

41       e. The Attorney General shall be the legal advisor to the  
42 committee.

43       f. The members of the committee shall serve without  
44 compensation but shall be reimbursed for any necessary  
45 expenditures. A member of the committee who is a public  
46 employee shall not suffer loss of salary or wages during service on  
47 the committee, and shall be granted leave with pay to attend the  
48 meetings of the committee.

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1 g. (1) If any matter before the committee receives at least 14  
2 votes in the affirmative, the matter shall be deemed approved and  
3 adopted by the committee.

4 (2) If any matter before the committee receives 13 votes in the  
5 affirmative and 13 votes in the negative or the committee otherwise  
6 reaches an impasse on a decision, the following procedure shall be  
7 employed.

8 Whenever the committee fails to render a decision on a matter  
9 before the committee because it has not received a vote of the  
10 majority of the committee members after 10 days have passed  
11 following the initial consideration of the matter, the committee shall  
12 utilize a super conciliator, randomly selected from a list developed  
13 by the New Jersey Public Employment Relations Commission. The  
14 super conciliator shall assist the committee based upon procedures  
15 and subject to qualifications established by the commission  
16 pursuant to regulation.

17 The super conciliator shall promptly schedule investigatory  
18 proceedings. The purpose of the proceedings shall be to:

19 Investigate and acquire all relevant information regarding the  
20 committee's failure to render a decision;

21 Discuss with the members of the committee their differences,  
22 and utilize means and mechanisms, including but not limited to  
23 requiring 24-hour per day negotiations, until a voluntary settlement  
24 is reached, and provide recommendations to resolve the members'  
25 differences; and

26 Institute any other non-binding procedures deemed appropriate  
27 by the super conciliator.

28 If the actions taken by the super conciliator fail to resolve the  
29 dispute, the super conciliator shall issue a final report, which shall  
30 be provided to the committee promptly and made available to the  
31 public within 10 days thereafter.

32 The super conciliator, while functioning in a mediatory capacity,  
33 shall not be required to disclose any files, records, reports,  
34 documents, or other papers classified as confidential which are  
35 received or prepared by him or to testify with regard to mediation  
36 conducted by him under this section. Nothing contained herein  
37 shall exempt an individual from disclosing information relating to  
38 the commission of a crime.

39

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

41 18A:66-39. a. Before June 9, 1971, a member, who shall have  
42 been a teacher and a member of the retirement system for each of  
43 the 10 years next preceding his retirement, shall, upon the  
44 application of his employer or upon his own application or the  
45 application of one acting in his behalf, be retired for ordinary  
46 disability by the board of trustees, on a regular disability allowance  
47 if he is under 60 years of age and on a service allowance if he has  
48 reached or passed that age. The physician or physicians designated

1 by the board shall have first made a medical examination of him at  
2 his residence or at any other place mutually agreed upon and shall  
3 have certified to the board that the member is physically or  
4 mentally incapacitated for the performance of duty and should be  
5 retired.

6 b. On and after June 9, 1971, a member, under 60 years of age,  
7 who has 10 or more years of credit for New Jersey service, shall,  
8 upon the application of his employer or upon his own application or  
9 the application of one acting in his behalf, be retired for ordinary  
10 disability by the board of trustees. The physician or physicians  
11 designated by the board shall have first made a medical examination  
12 of him at his residence or at any other place mutually agreed upon  
13 and shall have certified to the board that the member is physically  
14 or mentally incapacitated for the performance of duty and of any  
15 other available duty which the employer is willing to assign to him  
16 for the same amount of compensation and should be retired. **【No**  
17 **person who becomes a member of the retirement system on or after**  
18 **the effective date of P.L.2010, c.3 shall be eligible for retirement**  
19 **pursuant to this subsection.】**

20 c. A member, under 65 years of age, shall, upon the application  
21 of his employer or upon his own application or the application of  
22 one acting in his behalf, be retired by the board of trustees, if said  
23 member is permanently and totally disabled as a direct result of a  
24 traumatic event occurring during and as a result of the performance  
25 of his regular or assigned duties, on an accidental disability  
26 allowance. A traumatic event occurring during voluntary  
27 performance of regular or assigned duties at a place of employment  
28 before or after required hours of employment which is not in  
29 violation of any valid work rule of the employer or otherwise  
30 prohibited by the employer shall be deemed as occurring during the  
31 performance of regular or assigned duties. No person who becomes  
32 a member of the retirement system on or after the effective date of  
33 P.L.2010, c.3 shall be eligible for retirement pursuant to this  
34 subsection.

35 The application to accomplish such retirement must be filed  
36 within **【five】** two years of the original traumatic event, but the  
37 board of trustees may consider an application filed after the **【five-**  
38 **year】** two-year period if it can be factually demonstrated to the  
39 satisfaction of the board of trustees that the disability is due to the  
40 accident and the filing was not accomplished within the **【five-year】**  
41 two-year period due to a delayed manifestation of the disability or  
42 to circumstances beyond the control of the member.

43 Permanent and total disability resulting from a cardiovascular,  
44 pulmonary or musculo-skeletal condition which was not a direct  
45 result of a traumatic event occurring in the performance of duty  
46 shall be deemed an ordinary disability.

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1 Before consideration of an application for accidental disability  
2 allowance by the board of trustees, the physician or physicians  
3 designated by the board shall have first made a medical examination  
4 of the member at his residence or at any other place mutually  
5 agreed upon and shall have certified to the board that he is  
6 physically or mentally incapacitated for the performance of duty  
7 and of any other available duty which the employer is willing to  
8 assign to him for the same amount of compensation, and should be  
9 retired, and the employer shall have certified to the board that the  
10 member is permanently and totally disabled as a direct result of a  
11 traumatic event occurring during and as a result of the performance  
12 of his regular and assigned duties, the time and place where the  
13 duty causing the disability was performed, that the disability was  
14 not the result of his willful negligence and that the member should  
15 be retired. At the time of application for accidental disability, the  
16 member shall file an application for workers' compensation benefits  
17 under R.S.34:15-1 et seq. or for federal Social Security disability  
18 benefits. The results of such applications shall be reported to the  
19 Division of Pensions and Benefits.

20 d. Within 30 days after the date the board is authorized to take  
21 action as specified in section 1 of P.L. , c. (pending before the  
22 Legislature as this bill), the board of trustees shall meet to discuss  
23 the recommendation in the report of the Accidental Disability  
24 Pension Review Committee prepared and submitted pursuant to that  
25 section. A vote shall be taken at that meeting to adopt or reject the  
26 recommendation made in the report in its entirety without  
27 modification. If a majority of the board's membership votes in the  
28 affirmative to adopt the recommendation, the criteria shall be  
29 deemed adopted and shall be implemented by the board for all  
30 applicants who submit applications 30 days after the date of  
31 adoption by the board. If a majority of the board's membership  
32 votes to reject the recommendation, the criteria for all applicants  
33 shall not be changed. If the recommendation is rejected by the  
34 board, the board shall meet again within the following 12-month  
35 period to discuss the recommendation and shall take another vote to  
36 adopt or reject the recommendation. The board shall not be  
37 permitted to rescind the adoption of the recommendation and the  
38 committee established by subsection b. of N.J.S.18A:66-56 shall  
39 not be permitted to change the adopted criteria.

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

41

42 3. N.J.S.18A:66-40 is amended to read as follows:

43 18A:66-40. a. Once each year the retirement system may, and  
44 upon his application shall, require any disability beneficiary who is  
45 under the age of 60 years to undergo medical examination by a  
46 physician or physicians designated by the system **【**for a period of 5  
47 years**】** following his retirement in order to determine whether or not  
48 the disability which existed at the time he was retired has vanished

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1 or has materially diminished. If the disability beneficiary is under  
2 normal retirement age and engaged in an occupation, then the  
3 amount of his pension shall be reduced to an amount which, when  
4 added to the amount then earned by him, shall not exceed the  
5 amount of the salary now attributable to his former position. If his  
6 earnings have changed since the date of his last adjustment, then the  
7 amount of his pension may be further altered; but the new pension  
8 shall not exceed the amount of pension originally granted. Each  
9 year, the disability beneficiary shall submit to the Division of  
10 Pensions and Benefits copies of the beneficiary's federal Internal  
11 Revenue tax forms, W-2 forms, and any other proof of employment  
12 required by regulation, unless such submission is waived by the  
13 board of trustees.

14 If a disability beneficiary, while under the age of 60 years,  
15 refuses to submit to at least one medical examination in any year by  
16 a physician or physicians designated by the system, his pension  
17 shall be discontinued until withdrawal of his refusal. If the report  
18 of the medical board shall show that such beneficiary is able to  
19 perform either his former duty or other comparable duty which his  
20 former employer is willing to assign to him, the beneficiary shall  
21 report for duty; such a beneficiary shall not suffer any loss of  
22 benefits while he awaits his restoration to active service. If the  
23 beneficiary fails to return to duty within 10 days after being  
24 ordered so to do, or within such further time as may be allowed by  
25 the board of trustees for valid reason, as the case may be, the  
26 pension shall be discontinued during such default.

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

32 Such person shall be reenrolled in the retirement system and  
33 shall contribute thereto at a rate based on his age at the time of his  
34 prior enrollment. Such person shall be treated as an active member  
35 for determining disability or death benefits while in service and no  
36 benefits pursuant to an optional selection with respect to his former  
37 membership shall be paid if his death shall occur during the period  
38 of such reenrollment.

39 Upon subsequent retirement of such member, he shall receive a  
40 retirement allowance based on all his service as a member,  
41 computed in accordance with applicable provisions of this article,  
42 but the total retirement allowance upon subsequent retirement shall  
43 not be a greater proportion of his final compensation than the  
44 proportion to which he would have been entitled had he remained in  
45 service during the period of his prior retirement. Any death benefit  
46 to which such member shall be eligible shall be based on his latest  
47 retirement.

48 (cf: P.L.1971, c.121, s.21)

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

3 12. a. Whenever the Supreme Court shall certify to the  
4 Governor, any member who shall have served as a judge of the  
5 several courts, may be retired for disability if the member has  
6 become physically or otherwise incapacitated for full and efficient  
7 service to the State in his judicial capacity. The Governor shall  
8 thereupon refer the disability claim to three physicians of skill and  
9 repute in their profession and residents of this State who shall  
10 examine the member and report to the Governor as to his physical  
11 or other disability and whether in all reasonable probability, if they  
12 find the disability existent, it will continue permanently and does  
13 and will continue to prevent the member from giving full and  
14 efficient service in the performance of his judicial duties. If the  
15 report confirms the existence of the disability and the member has  
16 served as a judge, and as a judge and in office, position, or  
17 employment of this State or of a county, municipality, board of  
18 education or public agency of this State, for 10 or more years, and if  
19 the Governor approves the report, the member shall be retired not  
20 less than 1 month next following the date of filing of an application  
21 with the retirement system, and he shall receive a retirement  
22 allowance which shall consist of an annuity which is the actuarial  
23 equivalent of his accumulated deductions together with regular  
24 interest, and a pension which, when added to the member's annuity,  
25 will provide a retirement allowance for ordinary disability during  
26 the remainder of his life in an amount equal to **【three-fourths of his**  
27 **final salary】** 1½% of final salary multiplied by his number of years  
28 of aggregate service as a judge, or in office, position, or  
29 employment of this State or of a county, municipality, board of  
30 education or public agency of this State; and provided further, that  
31 in no event shall the allowance be less than 40% of final salary. If  
32 the report confirms that the member is permanently and totally  
33 disabled as a direct result of a traumatic event occurring during and  
34 as a result of the performance of his regular or assigned duties, the  
35 member shall be retired not less than 1 month next following the  
36 date of filing of an application with the retirement system, and he  
37 shall receive a retirement allowance which shall consist of an  
38 annuity which is the actuarial equivalent of his accumulated  
39 deductions together with regular interest, and a pension which,  
40 when added to the member's annuity, will provide a retirement  
41 allowance for accidental disability during the remainder of his life  
42 in an amount equal to three-fourths of final salary. An application  
43 for an accidental disability allowance shall be filed within two years  
44 of the original traumatic event, but the Governor may consider an  
45 application filed after the two-year period if it can be factually  
46 demonstrated that the disability is due to the accident and the filing  
47 was not accomplished within the two-year period due to a delayed



1 manifestation of the disability or to circumstances beyond the  
2 control of the member.

3 b. The State House Commission may require any disability  
4 beneficiary under the age of 70 years to undergo medical  
5 examination by a physician or physicians designated by the  
6 Division of Pension and Benefits following the retirement in order  
7 to determine whether or not the disability which existed at the time  
8 has vanished or has materially diminished. At the time of  
9 retirement for accidental disability, the member shall file an  
10 application for workers' compensation benefits under R.S.34:15-1  
11 et seq. or for federal Social Security disability benefits. The results  
12 of such applications shall be reported to the Division of Pensions  
13 and Benefits.

14 c. If the disability beneficiary is under age 70 and engaged in  
15 an occupation, then the amount of his pension shall be reduced to an  
16 amount which when added to the amount then earned by him, shall  
17 not exceed the amount of the salary now attributable to his former  
18 position. If his earnings have changed since the date of his last  
19 adjustment, then the amount of his pension may be further altered,  
20 but the new pension shall not exceed the amount of pension  
21 originally granted. Each year, the disability beneficiary shall  
22 submit to the Division of Pensions and Benefits copies of the  
23 beneficiary's federal Internal Revenue tax forms, W-2 forms, and  
24 any other proof of employment required by regulation, unless such  
25 submission is waived by the State House Commission.

26 d. Within 30 days after the date the State House Commission is  
27 authorized to take action as specified in section 1 of P.L. , c.  
28 (pending before the Legislature as this bill), the commission shall  
29 meet to discuss the recommendation in the report of the Accidental  
30 Disability Pension Review Committee prepared and submitted  
31 pursuant to that section. A vote shall be taken at that meeting to  
32 adopt or reject the recommendation made in the report in its entirety  
33 without modification. If a majority of the commission's  
34 membership votes in the affirmative to adopt the recommendation,  
35 the criteria shall be deemed adopted and shall be implemented by  
36 the commission for all applicants who submit applications 30 days  
37 after the date of adoption by the commission. If a majority of the  
38 commission's membership votes to reject the recommendation, the  
39 criteria for all applicants shall not be changed. If the  
40 recommendation is rejected by the commission, the commission  
41 shall meet again within the following 12-month period to discuss  
42 the recommendation and shall take another vote to adopt or reject  
43 the recommendation. The commission shall not be permitted to  
44 rescind the adoption of the recommendation or to change the  
45 adopted criteria pursuant to subsection j. of section 29 of P.L.1973,  
46 c.140 (C.43:6A-29).

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

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

3       42. A member, under 60 years of age, who has 10 or more years  
4 of credit for New Jersey service, shall, upon the application of the  
5 head of the department in which he shall have been employed or  
6 upon his own application or the application of one acting in his  
7 behalf, be retired for ordinary disability by the board of trustees.  
8 The physician or physicians designated by the board shall have first  
9 made a medical examination of him at his residence or at any other  
10 place mutually agreed upon and shall have certified to the board  
11 that the member is physically or mentally incapacitated for the  
12 performance of duty and of any other available duty which the  
13 employer is willing to assign him for the same amount of  
14 compensation and should be retired.

15       The service requirement provisions of this amendatory and  
16 supplementary act shall not become effective for 5 years following  
17 the effective date of the act.

18       **【No person who becomes a member of the retirement system on**  
19 **or after the effective date of P.L.2010, c.3 shall be eligible for**  
20 **retirement pursuant to this section.】**

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

22

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

25       43. a. A member who has not attained age 65 shall, upon the  
26 application of the head of the department in which he is employed  
27 or upon his own application or the application of one acting in his  
28 behalf, be retired by the board of trustees, if said employee is  
29 permanently and totally disabled as a direct result of a traumatic  
30 event occurring during and as a result of the performance of his  
31 regular or assigned duties, on an accidental disability allowance. A  
32 traumatic event occurring during voluntary performance of regular  
33 or assigned duties at a place of employment before or after required  
34 hours of employment which is not in violation of any valid work  
35 rule of the employer or otherwise prohibited by the employer shall  
36 be deemed as occurring during the performance of regular or  
37 assigned duties.

38       The application to accomplish such retirement must be filed  
39 within **【five】** two years of the original traumatic event, but the  
40 board of trustees may consider an application filed after the **【five-**  
41 **year】** two-year period if it can be factually demonstrated to the  
42 satisfaction of the board of trustees that the disability is due to the  
43 accident and the filing was not accomplished within the **【five-year】**  
44 two-year period due to a delayed manifestation of the disability or  
45 to circumstances beyond the control of the member.

46       Permanent and total disability resulting from a cardiovascular,  
47 pulmonary or musculo-skeletal condition which was not a direct

1 result of a traumatic event occurring in the performance of duty  
2 shall be deemed an ordinary disability.

3 Before consideration of the application by the board of trustees,  
4 the physician or physicians designated by the board shall have first  
5 made a medical examination of the member at his residence or at  
6 any other place mutually agreed upon and shall have certified to the  
7 board that he is physically or mentally incapacitated for the  
8 performance of duty and of any other available duty which the  
9 employer is willing to assign to him for the same amount of  
10 compensation, and should be retired, and the appointing authority  
11 shall have certified to the board that the member is permanently and  
12 totally disabled as a direct result of a traumatic event occurring  
13 during and as a result of the performance of his regular or assigned  
14 duties, the time and place where the duty causing the disability was  
15 performed, that the disability was not the result of his willful  
16 negligence and that the member should be retired.

17 **【No person who becomes a member of the retirement system on**  
18 **or after the effective date of P.L.2010, c.3 shall be eligible for**  
19 **retirement pursuant to this section.】**

20 At the time of application for accidental disability, the member  
21 shall file an application for workers' compensation benefits under  
22 R.S.34:15-1 et seq. or for federal Social Security disability benefits.  
23 The results of such applications shall be reported to the Division of  
24 Pensions and Benefits.

25 b. Within 30 days after the date the board is authorized to take  
26 action as specified in section 1 of P.L. , c. (pending before the  
27 Legislature as this bill), the board of trustees shall meet to discuss  
28 the recommendation in the report of the Accidental Disability  
29 Pension Review Committee prepared and submitted pursuant to that  
30 section. A vote shall be taken at that meeting to adopt or reject the  
31 recommendation made in the report in its entirety without  
32 modification. If a majority of the board's membership votes in the  
33 affirmative to adopt the recommendation, the criteria shall be  
34 deemed adopted and shall be implemented by the board for all  
35 applicants who submit applications 30 days after the date of  
36 adoption by the board. If a majority of the board's membership  
37 votes to reject the recommendation, the criteria for all applicants  
38 shall not be changed. If the recommendation is rejected by the  
39 board, the board shall meet again within the following 12-month  
40 period to discuss the recommendation and shall take another vote to  
41 adopt or reject the recommendation. The board shall not be  
42 permitted to rescind the adoption of the recommendation and the  
43 committee established by subsection b. of section 17 of P.L.1954,  
44 c.84 (C.43:15A-17) shall not be permitted to change the adopted  
45 criteria.

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

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1       7. Section 44 of P.L.1954, c.84 (C.43:15A-44) is amended to  
2 read as follows:

3       44. a. Once each year the retirement system may, and upon his  
4 application shall, require any disability beneficiary who is under the  
5 age of 60 years to undergo medical examination by a physician or  
6 physicians designated by the system **【for a period of 5 years】**  
7 following his retirement in order to determine whether or not the  
8 disability which existed at the time he was retired has vanished or  
9 has materially diminished. If the disability beneficiary is under  
10 normal retirement age and engaged in an occupation, then the  
11 amount of his pension shall be reduced to an amount which, when  
12 added to the amount then earned by him, shall not exceed the  
13 amount of the salary now attributable to his former position. If his  
14 earnings have changed since the date of his last adjustment, then  
15 the amount of his pension may be further altered; but the new  
16 pension shall not exceed the amount of pension originally granted.  
17 Each year, the disability beneficiary shall submit to the Division of  
18 Pensions and Benefits copies of the beneficiary's federal Internal  
19 Revenue tax forms, W-2 forms, and any other proof of employment  
20 required by regulation, unless such submission is waived by the  
21 board of trustees.

22       If a disability beneficiary, while under age of 60 years, refuses to  
23 submit to at least one medical examination in any year by a  
24 physician or physicians designated by the system, his pension shall  
25 be discontinued until withdrawal of his refusal. If the report of the  
26 medical board shall show that such beneficiary is able to perform  
27 either his former duty or other comparable duty which his former  
28 employer is willing to assign to him, the beneficiary shall report for  
29 duty; such a beneficiary shall not suffer any loss of benefits while  
30 he awaits his restoration to active service. If the beneficiary fails to  
31 return to duty within 10 days after being ordered so to do, or within  
32 such further time as may be allowed by the board of trustees for  
33 valid reason, as the case may be, the pension shall be discontinued  
34 during such default.

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

40       Such person shall be reenrolled in the retirement system and  
41 shall contribute thereto at a rate based on his age at the time of his  
42 prior enrollment. Such persons shall be treated as an active member  
43 for determining disability or death benefits while in service and no  
44 benefits pursuant to an optional selection with respect to his former  
45 membership shall be paid if his death shall occur during the period  
46 of such reenrollment.

47       Upon subsequent retirement of such member, he shall receive a  
48 retirement allowance based on all his service as a member

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1 computed in accordance with applicable provisions of this act, but  
2 the total retirement allowance upon subsequent retirement shall not  
3 be a greater proportion of his final compensation than the  
4 proportion to which he would have been entitled had he remained in  
5 service during the period of his prior retirement. Any death benefit  
6 to which such member shall be eligible shall be based on his latest  
7 retirement.

8 (cf: P.L.1971, c.213, s.18)

9

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

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

23 (2) Upon retirement for ordinary disability, a member shall  
24 receive an ordinary disability retirement allowance which shall  
25 consist of:

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

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

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

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

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

45 (4) Upon the receipt of proper proofs of the death of a member  
46 who has retired on an ordinary disability retirement allowance,  
47 there shall be paid to such member's beneficiary, an amount equal  
48 to 3 1/2 times the compensation upon which contributions by the

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1 member to the annuity savings fund were based in the last year of  
2 creditable service; provided, however, that if such death shall occur  
3 after the member shall have attained 55 years of age the amount  
4 payable shall equal 1/2 of such compensation instead of 3 1/2 times  
5 such compensation.

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

7

8 9. Section 7 of P.L.1944, c.255 (C.43:16A-7) is amended to  
9 read as follows:

10 7. (1) Upon the written application by a member in service, by  
11 one acting in his behalf or by his employer any member may be  
12 retired on an accidental disability retirement allowance; provided,  
13 that the medical board, after a medical examination of such  
14 member, shall certify that the member is permanently and totally  
15 disabled as a direct result of a traumatic event occurring during and  
16 as a result of the performance of his regular or assigned duties and  
17 that such disability was not the result of the member's willful  
18 negligence and that such member is mentally or physically  
19 incapacitated for the performance of his usual duty and of any other  
20 available duty in the department which his employer is willing to  
21 assign to him for the same amount of compensation. The  
22 application to accomplish such retirement must be filed within  
23 **【five】** two years of the original traumatic event, but the board of  
24 trustees may consider an application filed after the **【five-year】** two-  
25 year period if it can be factually demonstrated to the satisfaction of  
26 the board of trustees that the disability is due to the accident and the  
27 filing was not accomplished within the **【five-year】** two-year period  
28 due to a delayed manifestation of the disability or to other  
29 circumstances beyond the control of the member.

30 (2) Upon retirement for accidental disability, a member shall  
31 receive an accidental disability retirement allowance which shall  
32 consist of:

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

35 (b) A pension in the amount which, when added to the member's  
36 annuity, will provide a total retirement allowance of 2/3 of the  
37 member's actual annual compensation for which contributions were  
38 being made at the time of the occurrence of the accident or at the  
39 time of the member's retirement, whichever provides the largest  
40 possible benefit to the member.

41 (3) Upon receipt of proper proofs of the death of a member who  
42 has retired on accidental disability retirement allowance, there shall  
43 be paid to such member's beneficiary, an amount equal to 3 1/2  
44 times the compensation upon which contributions by the member to  
45 the annuity savings fund were based in the last year of creditable  
46 service; provided, however, that if such death shall occur after the  
47 member shall have attained 55 years of age the amount payable

1 shall equal 1/2 of such compensation instead of 3 1/2 times such  
2 compensation.

3 (4) Permanent and total disability resulting from a  
4 cardiovascular, pulmonary or musculo-skeletal condition which was  
5 not a direct result of a traumatic event occurring in the performance  
6 of duty shall be deemed an ordinary disability.

7 (5) At the time of application for accidental disability, the  
8 member shall file an application for workers' compensation benefits  
9 under R.S.34:15-1 et seq. or for federal Social Security disability  
10 benefits. The results of such applications shall be reported to the  
11 Division of Pensions and Benefits.

12 (6) Within 30 days after the date the board is authorized to take  
13 action as specified in section 1 of P.L. , c. (pending before the  
14 Legislature as this bill), the board of trustees shall meet to discuss  
15 the recommendation in the report of the Accidental Disability  
16 Pension Review Committee prepared and submitted pursuant to that  
17 section. A vote shall be taken at that meeting to adopt or reject the  
18 recommendation made in the report in its entirety without  
19 modification. If a majority of the board's membership votes in the  
20 affirmative to adopt the recommendation, the criteria shall be  
21 deemed adopted and shall be implemented by the board for all  
22 applicants who submit applications 30 days after the date of  
23 adoption by the board. If a majority of the board's membership  
24 votes to reject the recommendation, the criteria for all applicants  
25 shall not be changed. If the recommendation is rejected by the  
26 board, the board shall meet again within the following 12-month  
27 period to discuss the recommendation and shall take another vote to  
28 adopt or reject the recommendation. The board shall not be  
29 permitted to rescind the adoption of the recommendation and the  
30 committees established by subsection b. of section 13 of P.L.1944,  
31 c.255 (C.43:16A-13) shall not be permitted to change the adopted  
32 criteria.

33 (cf: P.L.1997, c.281, s.1)

34

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

37 8. (1) Upon the receipt by the retirement system of a written  
38 application for a disability retirement allowance, the system shall  
39 refer the application to the medical board, which shall designate a  
40 physician or physicians to examine the applicant and the report of  
41 the medical board shall be considered by the board of trustees in  
42 acting upon such application.

43 (2) Any beneficiary under the age of 55 years who has been  
44 retired on a disability retirement allowance under this act, on his  
45 request shall, or upon the request of the retirement system may, be  
46 given a medical examination and he shall submit to any  
47 examination by a physician or physicians designated by the medical  
48 board once a year **【for at least a period of five years】** following his

1 retirement in order to determine whether or not the disability which  
2 existed at the time he was retired has vanished or has materially  
3 diminished. If the report of the medical board shall show that such  
4 beneficiary is able to perform either his former duty or any other  
5 available duty in the department which his employer is willing to  
6 assign to him, the beneficiary shall report for duty; such a  
7 beneficiary shall not suffer any loss of benefits while he awaits his  
8 restoration to active service. If the beneficiary fails to submit to  
9 any such medical examination or fails to return to duty within 10  
10 days after being ordered so to do, or within such further time as  
11 may be allowed by the board of trustees for valid reason, as the case  
12 may be, the pension shall be discontinued during such default.

13 (3) (Deleted by amendment.)

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

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

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

30 (5) If the disability beneficiary is under normal retirement age  
31 and engaged in an occupation, then the amount of his pension shall  
32 be reduced to an amount which when added to the amount then  
33 earned by him, shall not exceed the amount of the salary now  
34 attributable to his former position. If his earnings have changed  
35 since the date of his last adjustment, then the amount of his pension  
36 may be further altered, but the new pension shall not exceed the  
37 amount of pension originally granted. Each year, the disability  
38 beneficiary shall submit to the Division of Pensions and Benefits  
39 copies of the beneficiary's federal Internal Revenue tax forms, W-2  
40 forms, and any other proof of employment required by regulation,  
41 unless such submission is waived by the board of trustees.

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

43  
44 11. Section 9 of P.L.1965, c.89 (C.53:5A-9) is amended to read  
45 as follows:

46 9. a. Upon the written application by a member in service, by  
47 one acting in his behalf or by the State, any member, under 55 years  
48 of age, who has had **【four】** ten or more years of creditable service



1 as a State policeman, or **four** ten or more years of creditable  
2 service as a person formerly employed by the Division of Motor  
3 Vehicles or the Division of State Police prior to appointment as  
4 provided in section 3 of P.L.1983, c.403 (C.39:2-9.3), or **four** ten  
5 or more years of creditable service as a person formerly employed  
6 by the Alcoholic Beverage Control Enforcement Bureau, the State  
7 Capitol Police Force, or the Bureau of Marine Law Enforcement  
8 prior to appointment as provided in section 1 of P.L.1997, c.19  
9 (C.53:1-8.2), may be retired, not less than one month next following  
10 the date of filing such application with the retirement system, on an  
11 ordinary disability retirement allowance; provided, that the medical  
12 board, after a medical examination of such member, shall certify  
13 that such member is mentally or physically incapacitated for the  
14 performance of his usual duty and of any other available duty in the  
15 Division of State Police which the Superintendent of State Police is  
16 willing to assign to him for the same amount of compensation and  
17 that such incapacity is likely to be permanent and of such an extent  
18 that he should be retired.

19 b. Upon retirement for ordinary disability, a member shall  
20 receive an ordinary disability retirement allowance which shall  
21 consist of:

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

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

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

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

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

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

45 d. Upon the receipt of proper proofs of the death of a member  
46 who has retired on an ordinary disability retirement allowance,  
47 there shall be paid to the member's beneficiary an amount equal to  
48 three and one-half times the final compensation received by the

1 member in the last year of creditable service; provided, however,  
2 that if such death shall occur after the member shall have attained  
3 55 years of age, the amount payable shall equal one-half of such  
4 compensation instead of three and one-half times such  
5 compensation.

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

7

8 12. Section 10 of P.L.1965, c.89 (C.53:5A-10) is amended to  
9 read as follows:

10 10. a. Upon the written application by a member in service, by  
11 one acting in his behalf or by the State, any member may be retired,  
12 not less than 1 month next following the date of filing such  
13 application, on an accidental disability retirement allowance,  
14 provided, that the medical board, after a medical examination of  
15 such member, shall certify that the member is permanently and  
16 totally disabled as a direct result of a traumatic event occurring  
17 during and as a result of the performance of his regular or assigned  
18 duties and that such disability was not the result of the member's  
19 willful negligence and that such member is mentally or physically  
20 incapacitated for the performance of his usual duties in the Division  
21 of State Police which the Superintendent of State Police is willing  
22 to assign to him or of any other available duty in the Division of  
23 State Police which the Superintendent of State Police is willing to  
24 assign to him for the same amount of compensation. The  
25 application to accomplish such retirement must be filed within **[5]**  
26 two years of the original traumatic event, but the board of trustees  
27 may consider an application filed after the **[5-year]** two-year period  
28 if it can be factually demonstrated to the satisfaction of the board of  
29 trustees that the disability is due to the accident and the filing was  
30 not accomplished within the **[5-year]** two-year period due to a  
31 delayed manifestation of the disability or to the member's continued  
32 employment in a restricted capacity consistent with the nature of his  
33 disability in the Division of the State Police upon and at the written  
34 request of the superintendent, with the concurrence of the Attorney  
35 General, or to other circumstances beyond the control of the  
36 member.

37 b. Upon retirement for accidental disability, a member shall  
38 receive an accidental disability retirement allowance which shall  
39 consist of:

40 (1) An annuity which shall be the actuarial equivalent of his  
41 aggregate contributions and

42 (2) A pension in the amount which, when added to the member's  
43 annuity, will provide a total retirement allowance of  $\frac{2}{3}$  of his  
44 final compensation.

45 c. Upon the receipt of proper proofs of the death of a member  
46 who has retired on an accidental disability retirement allowance,  
47 there shall be paid to the member's beneficiary, an amount equal to  
48  $3 \frac{1}{2}$  times the final compensation received by the member in the

1 last year of creditable service; provided, however, that if such death  
2 shall occur after the member shall have attained 55 years of age the  
3 amount payable shall equal 1/2 of such compensation instead of  
4 3 1/2 times such compensation.

5 d. Permanent and total disability resulting from a  
6 cardiovascular, pulmonary or musculo-skeletal condition which was  
7 not a direct result of a traumatic event occurring in the performance  
8 of duty shall be deemed an ordinary disability.

9 e. At the time of application for accidental disability, the  
10 member shall file an application for workers' compensation benefits  
11 under R.S.34:15-1 et seq. or for federal Social Security disability  
12 benefits. The results of such applications shall be reported to the  
13 Division of Pensions and Benefits.

14 f. Within 30 days after the date the board is authorized to take  
15 action as specified in section 1 of P.L. , c. (pending before the  
16 Legislature as this bill), the board of trustees shall meet to discuss  
17 the recommendation in the report of the Accidental Disability  
18 Pension Review Committee prepared and submitted pursuant to that  
19 section. A vote shall be taken at that meeting to adopt or reject the  
20 recommendation made in the report in its entirety without  
21 modification. If a majority of the board's membership votes in the  
22 affirmative to adopt the recommendation, the criteria shall be  
23 deemed adopted and shall be implemented by the board for all  
24 applicants who submit applications 30 days after the date of  
25 adoption by the board. If a majority of the board's membership  
26 votes to reject the recommendation, the criteria for all applicants  
27 shall not be changed. If the recommendation is rejected by the  
28 board, the board shall meet again within the following 12-month  
29 period to discuss the recommendation and shall take another vote to  
30 adopt or reject the recommendation. The board shall not be  
31 permitted to rescind the adoption of the recommendation and the  
32 committee established by subsection o. of section 30 of P.L.1965,  
33 c.89 (C.53:5A-30) shall not be permitted to change the adopted  
34 criteria.

35 (cf: P.L.1971, c.181, s.8)

36

37 13. (New section) a. Once each year and upon his application  
38 the retirement system may require any disability beneficiary who is  
39 under normal retirement age to undergo a medical examination by a  
40 physician or physicians designated by the system following his  
41 retirement in order to determine whether or not the disability which  
42 existed at the time he was retired has vanished or has materially  
43 diminished. If the disability beneficiary is under normal retirement  
44 age and engaged in an occupation, then the amount of his pension  
45 shall be reduced to an amount which when added to the amount  
46 then earned by him, shall not exceed the amount of the salary now  
47 attributable to his former position. If his earnings have changed  
48 since the date of his last adjustment, then the amount of his pension

1 may be further altered; but the new pension shall not exceed the  
2 amount of pension originally granted. Each year, the disability  
3 beneficiary shall submit to the Division of Pensions and Benefits  
4 copies of the beneficiary's federal Internal Revenue tax forms, W-2  
5 forms, and any other proof of employment required by regulation,  
6 unless such submission is waived by the board of trustees.

7 If a disability beneficiary, while under normal retirement age,  
8 refuses to submit to at least one medical examination in any year by  
9 a physician or physicians designated by the system, his pension  
10 shall be discontinued until withdrawal of his refusal. If the report  
11 of the medical board shall show that such beneficiary is able to  
12 perform either his former duty or other comparable duty which his  
13 former employer is willing to assign to him, the beneficiary shall  
14 report for duty. Such a beneficiary shall not suffer any loss of  
15 benefits while he awaits his restoration to active service. If the  
16 beneficiary fails to return to duty within 10 days after being ordered  
17 so to do, or within such further time as may be allowed by the board  
18 of trustees for valid reason as the case may be, the pension shall be  
19 discontinued during such default.

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

24 Such person shall be reenrolled in the retirement system and  
25 shall be treated as an active member based upon his prior  
26 enrollment.

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

36  
37 14. (New section) The Attorney General of the Department of  
38 Law and Public Safety shall establish a fraud unit with dedicated  
39 staff members for the prevention and identification of fraudulent  
40 disability pension claims and payments as administered by the  
41 Division of Pensions and Benefits in the Department of the  
42 Treasury. The unit shall develop procedures for review and  
43 investigation of disability pension claims and payments and all  
44 reports of fraud concerning such claims and payments. Such  
45 procedures shall include, but not be limited to, the systematic  
46 review of medical examination reports of physicians for patterns  
47 indicating lack of due diligence or possible fraud and the use of a  
48 fully integrated data processing system within the Division of

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1 Pensions and Benefits in the Department of the Treasury to monitor  
2 post-retirement employment through review of the wage reporting  
3 records of the Department of Labor, State vendor files, State  
4 payrolls, and federal Internal Revenue tax forms. The unit shall  
5 examine any denial of an application for workers' compensation  
6 benefits under R.S.34:15-1 et seq. or for federal Social Security  
7 disability benefits, whose submission and reported results are  
8 required of each accidental disability beneficiary, to confirm that a  
9 beneficiary is eligible for accidental disability benefits. The unit  
10 shall encourage the public to report fraudulent disability pension  
11 claims and payments and shall maintain a toll free number to  
12 receive such reports. The unit shall prescribe a form for  
13 information reported by any public employer having reason to  
14 believe that a disability pension claim or payment may be  
15 fraudulent, or having knowledge that a fraudulent disability pension  
16 claim or payment is about to take place, or has taken place.  
17 Whenever the fraud unit is satisfied that a material fraud, deceit, or  
18 intentional misrepresentation has been committed in a disability  
19 pension claim or payment or in a purported disability pension claim  
20 or payment, or a violation of other laws concerning pension  
21 disability fraud has occurred, it shall refer the matter to the Division  
22 of Criminal Justice.

23

24 15. (New section) A public employer in the State of New Jersey  
25 may establish, in consultation with the appropriate officials of the  
26 Executive Branch of State government and representatives of any  
27 relevant collective bargaining units, an early intervention plan  
28 designed to limit liability for accidental disability retirement  
29 benefits by ensuring the continued employment of injured  
30 employees through medical and vocational rehabilitation,  
31 reasonable accommodation of injured workers, and a safer  
32 workplace.

33

34 16. The following sections are repealed:  
35 Section 10 of P.L.2010, c.3 (C.18A:66-39.1); and  
36 Section 11 of P.L.2010, c.3 (C.43:15A-42.1).

37

38 17. This act shall take effect immediately and section 1 shall  
39 expire 150 days after the committee submits the report required by  
40 subsection d. of section 1 of this act.

41

42

43

STATEMENT

44

45 This bill revises the application process and eligibility criteria for  
46 receipt of a disability retirement benefit under the State-  
47 administered defined benefit pension systems, the Teachers'  
48 Pensions and Annuity Fund (TPAF), the Judicial Retirement System

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22

1 (JRS), the Public Employees' Retirement System (PERS), the  
2 Police and Firemen's Retirement System (PFRS), and the State  
3 Police Retirement System (SPRS). For JRS, the bill establishes an  
4 ordinary disability benefit at 1½% of final salary multiplied by  
5 years of service with a minimum of 40% of final salary, and retains  
6 for an accidental disability the current disability benefit of three-  
7 fourths of final salary.

8 Under the bill, applicants for ordinary disability and accidental  
9 disability must be certified as not only incapacitated for the  
10 performance of former duty but also for any other available duty  
11 which the employer is willing to assign for the same amount of  
12 compensation. For members of JRS, PFRS and SPRS, an ordinary  
13 disability retirement would not be available until the member has 10  
14 years of service instead of the current requirement of four years for  
15 PFRS and SPRS and nominal years for JRS. Application for  
16 accidental disability must be filed within two years, instead of the  
17 current five years, of the original traumatic event and must coincide  
18 with an application for workers' compensation benefits or for  
19 federal Social Security disability benefits. The results of those  
20 applications are to be reported to the Division of Pensions and  
21 Benefits. Currently, a retirement system may require a disability  
22 beneficiary to undergo a medical examination for a period of 5  
23 years following the disability retirement. The bill provides for such  
24 an examination at the option of the system until the beneficiary  
25 achieves a certain age.

26 The bill provides that if a JRS, PFRS or SPRS disability  
27 beneficiary is under normal retirement age and engaged in an  
28 occupation, then the amount of pension will be reduced to an  
29 amount which, when added to the amount then earned, will not  
30 exceed the amount of the salary now attributable to the retiree's  
31 former position. This earnings restriction already applies to TPAF  
32 and PERS disability retirees. The bill requires the disability retirees  
33 to submit annually to the Division of Pensions and Benefits copies  
34 of the beneficiary's federal Internal Revenue tax forms, W-2 forms,  
35 and any other proof of employment required by regulation, unless  
36 such submission is waived by the board of trustees.

37 The bill repeals the provisions of TPAF and PERS added in 2010  
38 that provided disability insurance coverage, rather than a disability  
39 pension, for employees enrolled in the TPAF or PERS on or after  
40 the effective date of P.L.2010, c.3.

41 In addition, the bill requires the Attorney General of the  
42 Department of Law and Public Safety to establish a fraud unit for  
43 the prevention and identification of fraudulent disability pension  
44 claims and payments, using procedures that include but are not  
45 limited to the systematic review of medical examination reports of  
46 physicians for patterns indicating possible fraud, use of a fully  
47 integrated data processing system within the Division of Pensions  
48 and Benefits to monitor post-retirement employment through review

1 of the wage reporting records of the Department of Labor, State  
2 vendor files, State payrolls, and federal Internal Revenue tax forms,  
3 as well as a toll free number for reports from the public. The unit  
4 will also examine any denial of an application for workers'  
5 compensation benefits or for federal Social Security disability  
6 benefits, whose submission and reported results are required of each  
7 accidental disability beneficiary, to confirm that a beneficiary is  
8 eligible for accidental disability benefits. Whenever the fraud unit  
9 is satisfied that a material fraud, deceit, or intentional  
10 misrepresentation has been committed in a disability pension claim  
11 or payment or in a purported disability pension claim or payment,  
12 or a violation of other laws concerning pension disability fraud has  
13 occurred, it will refer the matter to the Division of Criminal Justice.

14 The bill also permits a public employer to establish, in  
15 consultation with the appropriate officials of the Executive Branch  
16 of State government and representatives of any relevant collective  
17 bargaining units, an early intervention plan designed to limit  
18 liability for accidental disability retirement benefits by ensuring the  
19 continued employment of injured employees through medical and  
20 vocational rehabilitation, reasonable accommodation of injured  
21 workers, and a safer workplace.

22 Finally, the bill creates a temporary Accidental Disability  
23 Pension Review Committee. The 26-member committee will study  
24 the current requirement that a member of TPAF, JRS, PERS, PFRS  
25 and SPRS must be permanently and totally disabled as a direct  
26 result of a traumatic event in order to be deemed eligible for the  
27 receipt of an accidental disability benefit and develop a  
28 recommendation for specific criteria detailing what must be  
29 demonstrated by a member in order to meet the traumatic event  
30 eligibility standard of that requirement. The committee will make  
31 only one recommendation in the form of proposed legislation. The  
32 report containing the recommendation will be transmitted, within 15  
33 days after its adoption, to the President of the Senate and the  
34 Speaker of the General Assembly, to the members of the  
35 Legislature, to the Governor, and to the boards of trustees of the  
36 TPAF, PERS, PFRS, and SPRS and the State House Commission,  
37 which oversees JRS.

38 Within 90 days after receipt of the report, the Legislature must  
39 vote on legislation based on the recommendation of the committee.  
40 If both Houses of the Legislature do not pass legislation within 90  
41 days, or if both Houses do pass legislation but the Governor does  
42 not sign the legislation within 30 days after passage by both  
43 Houses, each of the boards of trustees and commission will meet to  
44 discuss the recommendation in the report. A vote will be taken at  
45 that meeting to adopt or reject the recommendation made in the  
46 report in its entirety without modification. If a majority of the  
47 membership votes in the affirmative to adopt the recommendation,  
48 the criteria will be deemed adopted and will be implemented by the

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1 board or commission for all applicants who submit applications 30  
2 days after the date of adoption. If a majority of the membership  
3 votes to reject the recommendation, the criteria for all applicants  
4 will not be changed. If the recommendation is rejected, the board  
5 or commission will meet again within the following 12-month  
6 period to discuss the recommendation and will take another vote to  
7 adopt or reject the recommendation. The boards or commission  
8 cannot rescind the adoption of the recommendation and neither the  
9 committees of TPAF, PERS, PFRS and SPRS nor the commission  
10 can change the adopted criteria.