

[First Reprint]

SENATE, No. 2061

STATE OF NEW JERSEY
217th LEGISLATURE

INTRODUCED APRIL 21, 2016

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SYNOPSIS

Increases accidental death benefit to 70% of final compensation for surviving children of SPRS or PFRS member; redefines child in SPRS.

CURRENT VERSION OF TEXT

As reported by the Senate State Government, Wagering, Tourism & Historic Preservation Committee on May 5, 2016, with amendments.

(Sponsorship Updated As Of: 6/28/2016)

1 AN ACT concerning the accidental death benefit in the State Police
2 Retirement System ¹and the Police and Firemen's Retirement
3 System¹ and amending and supplementing P.L.1965, c.89
4 (C.53:5A-1 et seq.) ¹and P.L.1944, c.255 (C.43:16A-1 et seq.)¹.

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

8
9 1. Section 3 of P.L.1965, c.89 (C.53:5A-3) is amended to read
10 as follows:

11 3. As used in this act:

12 a. "Aggregate contributions" means the sum of all the amounts,
13 deducted from the salary of a member or contributed by him or on
14 his behalf, standing to the credit of his individual account in the
15 Annuity Savings Fund. Interest credited on contributions to the
16 former "State Police Retirement and Benevolent Fund" shall be
17 included in a member's aggregate contributions.

18 b. "Annuity" means payments for life derived from the
19 aggregate contributions of a member.

20 c. "Annuity reserve" means the present value of all payments
21 to be made on account of any annuity or benefit in lieu of an
22 annuity, computed upon the basis of such mortality tables
23 recommended by the actuary as the board of trustees adopts and
24 regular interest.

25 d. "Beneficiary" means any person entitled to receive any
26 benefit pursuant to the provisions of this act by reason of the death
27 of a member or retirant.

28 e. "Board of trustees" or "board" means the board provided for
29 in section 30 of this act.

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

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SSG committee amendments adopted May 5, 2016.

- 1 g. "Creditable service" means service rendered for which credit
2 is allowed on the basis of contributions made by the member or the
3 State.
- 4 h. "Parent" means the parent of a member who was receiving at
5 least one-half of his support from the member in the 12-month
6 period immediately preceding the member's death or the accident
7 which was the direct cause of the member's death. The dependency
8 of such a parent will be considered terminated by marriage of the
9 parent subsequent to the death of the member.
- 10 i. (1) "Final compensation" means the average compensation
11 received by the member in the last 12 months of creditable service
12 preceding his retirement or death. Such term includes the value of
13 the member's maintenance allowance for this same period.
- 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,
16 c.1, "final compensation" means the average annual compensation
17 for service for which contributions are made during any three fiscal
18 years of membership providing the largest possible benefit to the
19 member or the member's beneficiary. Such term includes the value
20 of the member's maintenance allowance for this same period.
- 21 j. (1) "Final salary" means the average salary received by the
22 member in the last 12 months of creditable service preceding his
23 retirement or death. Such term shall not include the value of the
24 member's maintenance allowance.
- 25 (2) In the case of a person who becomes a member of the
26 retirement system on or after the effective date of P.L.2010, c.1,
27 "final salary" means the average annual salary for service for which
28 contributions are made during any three fiscal years of membership
29 providing the largest possible benefit to the member or the
30 member's beneficiary. Such term shall not include the value of the
31 member's maintenance allowance.
- 32 k. "Fiscal year" means any year commencing with July 1 and
33 ending with June 30 next following.
- 34 l. "Medical board" means the board of physicians provided for
35 in section 30 of this act.
- 36 m. "Member" means any full-time, commissioned officer, non-
37 commissioned officer or trooper of the Division of State Police of
38 the Department of Law and Public Safety of the State of New Jersey
39 enrolled in the retirement system established by this act.
- 40 n. "Pension" means payment for life derived from contributions
41 by the State.
- 42 o. "Pension reserve" means the present value of all payments to
43 be made on account of any pension or benefit in lieu of any pension
44 computed on the basis of such mortality tables recommended by the
45 actuary as shall be adopted by the board of trustees and regular
46 interest.
- 47 p. "Regular interest" means interest as determined by the State
48 Treasurer, after consultation with the Directors of the Divisions of

1 Investment and Pensions, the board of trustees and the actuary. It
2 shall bear a reasonable relationship to the percentage rate of
3 earnings on investments based on the market value of the assets but
4 shall not exceed the assumed percentage rate of increase applied to
5 salaries plus 3%, provided however that the board of trustees shall
6 not set the average percentage rate of increase applied to salaries
7 below 6%.

8 q. "Retirant" means any former member receiving a retirement
9 allowance as provided by this act.

10 r. "Retirement allowance" means the pension plus the annuity.

11 s. "State Police Retirement System of New Jersey," herein also
12 referred to as the "retirement system" or "system," is the corporate
13 name of the arrangement for the payment of retirement allowances
14 and of the benefits under the provisions of this act including the
15 several funds placed under said system. By that name, all of its
16 business shall be transacted, its funds invested, warrants for moneys
17 drawn, and payments made and all of its cash and securities and
18 other property held. All assets held in the name of the former
19 "State Police Retirement and Benevolent Fund" shall be transferred
20 to the retirement system established by this act.

21 t. "Surviving spouse" means the person to whom a member or
22 a retirant was married, or a domestic partner as defined in section 3
23 of P.L.2003, c.246 (C.26:8A-3), on the date of the death of the
24 member or retirant. The dependency of such a surviving spouse will
25 be considered terminated by the marriage of, or establishment of a
26 domestic partnership by, the surviving spouse subsequent to the
27 member's or the retirant's death, except that in the event of the
28 payment of accidental death benefits, pursuant to section 14 of
29 P.L.1965, c.89 (C.53:5A-14), the dependency of such a surviving
30 spouse or domestic partner will not be considered terminated by the
31 marriage of, or establishment of a domestic partnership by, the
32 surviving spouse subsequent to the member's death.

33 u. (1) "Compensation" for purposes of computing pension
34 contributions means the base salary, for services as a member as
35 defined in this act, which is in accordance with established salary
36 policies of the State for all employees in the same position but shall
37 not include individual salary adjustments which are granted
38 primarily in anticipation of the member's retirement or additional
39 remuneration for performing temporary duties beyond the regular
40 workday or shift.

41 (2) In the case of a person who becomes a member of the
42 retirement system on or after the effective date of P.L.2010, c.1,
43 "compensation" means the amount of base salary equivalent to the
44 annual maximum wage contribution base for Social Security,
45 pursuant to the Federal Insurance Contributions Act, for services as
46 a member as defined in this act, which is in accordance with
47 established salary policies of the State for all employees in the same
48 position but shall not include individual salary adjustments which

1 are granted primarily in anticipation of the member's retirement or
2 additional remuneration for performing temporary duties beyond
3 the regular workday or shift.

4 v. "Veteran" means any person who has served in the United
5 States Armed Forces and has or shall be discharged or released
6 therefrom under conditions other than dishonorable, in any of the
7 following wars or emergencies, and who has presented to the
8 retirement system evidence of such record of service in form and
9 content satisfactory to the retirement system:

10 (1) Vietnam conflict on or after December 31, 1960, and on or
11 prior to May 7, 1975, who shall have served at least 90 days in such
12 active service, exclusive of any period of assignment (1) for a
13 course of education or training under the Army Specialized
14 Training Program or the Navy College Training Program which
15 course was a continuation of a civilian course and was pursued to
16 completion, or (2) as a cadet or midshipman at one of the service
17 academies, any part of which 90 days was served between said
18 dates; and exclusive of any service performed pursuant to the
19 provisions of section 511 (d) of Title 10, United States Code,
20 pursuant to an enlistment in the Army National Guard or as a
21 reserve for service in the Army Reserve, Naval Reserve, Air Force
22 Reserve, Marine Corps Reserve, or Coast Guard Reserve; provided,
23 that any person receiving an actual service-incurred injury or
24 disability shall be classed as a veteran whether or not that person
25 has completed the 90 days' service as herein provided;

26 (2) Lebanon peacekeeping mission, on or after September 26,
27 1982, who has served in Lebanon or on board any ship actively
28 engaged in patrolling the territorial waters of that nation for a
29 period, continuous or in the aggregate, of at least 14 days
30 commencing on or before December 1, 1987 or the date of
31 termination of that mission, as proclaimed by the President of the
32 United States or Congress, whichever date of termination is the
33 latest, in such active service; provided, that any person receiving an
34 actual service-incurred injury or disability shall be classed as a
35 veteran whether or not that person has completed the 14 days'
36 service as herein provided;

37 (3) Grenada peacekeeping mission, on or after October 23,
38 1983, who has served in Grenada or on board any ship actively
39 engaged in patrolling the territorial waters of that nation for a
40 period, continuous or in the aggregate, of at least 14 days
41 commencing on or before November 21, 1983 or the date of
42 termination of that mission, as proclaimed by the President of the
43 United States or Congress, whichever date of termination is the
44 latest, in such active service; provided, that any person receiving an
45 actual service-incurred injury or disability shall be classed as a
46 veteran whether or not that person has completed the 14 days'
47 service as herein provided;

1 (4) Panama peacekeeping mission, on or after December 20,
2 1989 or the date of inception of that mission, as proclaimed by the
3 President of the United States or Congress, whichever date of
4 inception is earliest, who has served in Panama or on board any ship
5 actively engaged in patrolling the territorial waters of that nation for
6 a period, continuous or in the aggregate, of at least 14 days
7 commencing on or before January 31, 1990 or the date of
8 termination of that mission, as proclaimed by the President of the
9 United States or Congress, whichever date of termination is the
10 latest, in such active service; provided, that any person receiving an
11 actual service-incurred injury or disability shall be classed as a
12 veteran whether or not that person has completed the 14 days'
13 service as herein provided;

14 (5) Operation "Desert Shield/Desert Storm" mission in the
15 Arabian peninsula and the Persian Gulf, on or after August 2, 1990
16 or the date of inception of that operation, as proclaimed by the
17 President of the United States or Congress, whichever date of
18 inception is earliest, who has served in the Arabian peninsula or on
19 board any ship actively engaged in patrolling the Persian Gulf for a
20 period, continuous or in the aggregate, of at least 14 days
21 commencing on or before the date of termination of that mission, as
22 proclaimed by the President of the United States or Congress,
23 whichever date of termination is the latest, in such active service;
24 provided, that any person receiving an actual service-incurred injury
25 or disability shall be classed as a veteran whether or not that person
26 has completed the 14 days' service as herein provided;

27 (6) Operation Northern Watch and Operation Southern Watch,
28 on or after August 27, 1992, or the date of inception of that
29 operation, as proclaimed by the President of the United States,
30 Congress or United States Secretary of Defense, whichever date of
31 inception is earliest, who served in the theater of operation,
32 including in the Arabian peninsula and the Persian Gulf, and in
33 direct support of that operation for a period, continuously or in the
34 aggregate, of at least 14 days in such active service, commencing on
35 or before the date of termination of that operation, as proclaimed by
36 the President of the United States, Congress or United States
37 Secretary of Defense, whichever date of termination is the latest;
38 provided, that any person receiving an actual service-incurred injury
39 or disability while engaged in such service shall be classed as a
40 veteran whether or not that person has completed the 14 days'
41 service as herein provided;

42 (7) Operation "Restore Hope" in Somalia, on or after December
43 5, 1992, or the date of inception of that operation as proclaimed by
44 the President of the United States or Congress, whichever date is
45 earliest, who has served in Somalia or on board any ship actively
46 engaged in patrolling the territorial waters of that nation for a
47 period, continuously or in the aggregate, of at least 14 days in such
48 active service commencing on or before March 31, 1994; provided

1 that any person receiving an actual service-incurred injury or
2 disability shall be classed as a veteran whether or not that person
3 has completed the 14-day service as herein provided;

4 (8) Operations "Joint Endeavor" and "Joint Guard" in the
5 Republic of Bosnia and Herzegovina, on or after November 20,
6 1995, who served in such active service in direct support of one or
7 both of the operations for at least 14 days, continuously or in the
8 aggregate, commencing on or before June 20, 1998, and (1) was
9 deployed in that nation or in another area in the region, or (2) was
10 on board a United States naval vessel operating in the Adriatic Sea,
11 or (3) operated in airspace above the Republic of Bosnia and
12 Herzegovina; provided that any person receiving an actual service-
13 incurred injury or disability shall be classed as a veteran whether or
14 not that person completed the 14-day service requirement;

15 (9) Operation "Enduring Freedom", on or after September 11,
16 2001, who served in a theater of operation and in direct support of
17 that operation for a period, continuously or in the aggregate, of at
18 least 14 days in such active service commencing on or before the
19 date the President of the United States or the United States
20 Secretary of Defense designates as the termination date of that
21 operation; provided, that any person receiving an actual service-
22 incurred injury or disability while engaged in such service shall be
23 classed as a veteran whether or not that person has completed the 14
24 days' service as herein provided; and

25 (10) Operation "Iraqi Freedom", on or after the date the
26 President of the United States or the United States Secretary of
27 Defense designates as the inception date of that operation, who
28 served in Iraq or in another area in the region in direct support of
29 that operation for a period, continuously or in the aggregate, of at
30 least 14 days in such active service commencing on or before the
31 date the President of the United States or the United States
32 Secretary of Defense designates as the termination date of that
33 operation; provided, that any person receiving an actual service-
34 incurred injury or disability while engaged in such service shall be
35 classed as a veteran whether or not that person has completed the 14
36 days' service as herein provided.

37 (cf: P.L.2013, c.87, s.1)

38

39 2. Section 14 of P.L.1965, c.89 (C.53:5A-14) is amended to
40 read as follows:

41 14. a. Upon the death of a member in active service as a result
42 of:

43 (1) an accident met in the actual performance of duty at some
44 definite time and place, or

45 (2) service in the reserve component of the Armed Forces of the
46 United States or the National Guard in a federal active duty status,
47 and such death was not the result of the member's willful
48 negligence, an accidental death benefit shall be payable if a report

1 of the accident is filed in the office of the Division of State Police
2 within 60 days next following the accident, but the board of trustees
3 may waive such time limit, for a reasonable period, if in the
4 judgment of the board the circumstances warrant such action. No
5 such application shall be valid or acted upon unless it is filed in the
6 office of the retirement system within five years of the date of such
7 death.

8 b. (1) Upon the receipt of proper proofs of the death of a
9 member on account of which an accidental death benefit is payable,
10 there shall be paid to the surviving spouse a pension of 70% of final
11 compensation or of adjusted final compensation, as appropriate, for
12 the use of that spouse and children of the deceased, to continue for
13 as long as the person qualifies as a "surviving spouse" for the
14 purposes of this act. If there is no surviving spouse or in case the
15 spouse dies, ~~20%~~ 70% of final compensation or of adjusted final
16 compensation, as the case may be, will be payable to ~~one surviving~~
17 child, 35% of final compensation or of adjusted final compensation,
18 as the case may be, to two surviving children in equal shares and if
19 there be three or more children, 50% of final compensation or of
20 adjusted final compensation, as the case may be, will be payable to
21 such ~~the member's surviving child or surviving~~ children in equal
22 shares.

23 If there is no surviving spouse or child, 25% of final
24 compensation will be payable to one surviving parent or 40% of
25 final compensation will be payable to two surviving parents in
26 equal shares.

27 As used in this paragraph, "adjusted final compensation" means
28 the amount of final compensation or final compensation as adjusted,
29 as the case may be, increased by the same percentage increase
30 which is applied in any adjustments of the compensation schedule
31 of active members after the member's death and before the date on
32 which the deceased member of the retirement system would have
33 accrued 25 years of service under an assumption of continuous
34 service, at which time the amount resulting from such increases
35 shall become fixed and shall be the basis for adjustments pursuant
36 to the Pension Adjustment Act, P.L.1958, c.143 (C.43:3B-1 et seq.).
37 Any adjustments to final compensation or adjusted final
38 compensation shall take effect at the same time as any adjustments
39 in the compensation schedule of active members. The provisions of
40 the Pension Adjustment Act shall not apply to any pension based
41 upon adjusted final compensation other than the fixed pension in
42 effect at the conclusion of the 25-year period.

43 (2) In the event of accidental death occurring in the first year of
44 creditable service, the benefits, payable pursuant to this subsection,
45 shall be computed at the annual rate of compensation.

46 c. If there is no surviving spouse, child or parent, there shall be
47 paid to any other beneficiary of the deceased member, his aggregate
48 contributions at the time of death.

1 d. In no case shall the death benefits provided in subsection b.
2 be less than that provided under subsection c.

3 e. In addition to the foregoing benefits payable under
4 subsection a. or b., there shall also be paid in one sum to the
5 member's beneficiary, an amount equal to 3 1/2 times final
6 compensation.

7 f. (Deleted by amendment.)

8 g. (Deleted by amendment.)

9 h. In addition to the foregoing benefits, the State shall pay to
10 the member's employer-sponsored health insurance program all
11 health insurance premiums for the coverage of the member's
12 surviving spouse and surviving children.

13 (cf: P.L.2009, c.23, s.2)

14

15 3. (New section) The change to the definition of "child" made
16 pursuant to the amendment of section 3 of P.L.1965, c.89 (C.53:5A-
17 3) by P.L. , c. (pending before the Legislature as this bill) and
18 the adjustment in the benefit to a surviving child or children made
19 pursuant to the amendment of section 14 of P.L.1965,
20 c.89 (C.53:5A-14) by P.L. , c. (pending before the Legislature
21 as this bill) shall apply to a benefit entitlement initially granted on
22 or after January 1, 2016, and, if granted on or after that date but
23 before the effective date of P.L. , c. (pending before the
24 Legislature as this bill), still in effect on that effective date. The
25 adjustment in benefits to a surviving child or children pursuant to
26 the amendment of section 14 of P.L.1965, c.89 (C.53:5A-14) by
27 P.L. , c. (pending before the Legislature as this bill) shall apply
28 only for benefit payments made after the effective date of P.L. ,
29 c. (pending before the Legislature as this bill). No surviving
30 child of a deceased member of the retirement system shall be
31 granted a retroactive payment based upon the difference between
32 the benefit the person would have received if the adjustment made
33 pursuant to the amendment of section 14 of P.L.1965,
34 c.89 (C.53:5A-14) by P.L. , c. (pending before the Legislature
35 as this bill) had been applicable at the date of entitlement and the
36 benefit that the surviving child has received from the date of
37 entitlement to the effective date of P.L. , c. (pending before the
38 Legislature as this bill).

39

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

42 10. (1) Upon the death of a member in active service as a result
43 of:

44 (a) an accident met in the actual performance of duty at some
45 definite time and place, or

46 (b) service in the reserve component of the Armed Forces of the
47 United States or the National Guard in a federal active duty status,
48 and such death was not the result of the member's willful

1 negligence, an accidental death benefit shall be payable if a report
2 of the accident is filed in the office of the retirement system within
3 60 days next following the accident, but the board of trustees may
4 waive such time limit, for a reasonable period, if in the judgment of
5 the board the circumstances warrant such action. No such
6 application shall be valid or acted upon unless it is filed in the
7 office of the retirement system within five years of the date of such
8 death.

9 The provisions of this subsection shall also apply to a member
10 who is a fireman and who dies as a result of an accident met in the
11 actual performance of duty as a volunteer fireman in any
12 municipality in the State, provided the member's death was not the
13 result of the member's willful negligence.

14 (2) Upon the receipt of proper proofs of the death of a member
15 on account of which an accidental death benefit is payable, there
16 shall be paid to his widow or widower a pension of 70% of the
17 compensation, upon which contributions by the member to the
18 annuity savings fund were based in the last year of creditable
19 service, for the use of herself or himself and the children of the
20 deceased member; if there is no surviving widow or widower or in
21 case the widow or widower dies, ~~20%~~ 70% of such compensation
22 will be payable to ~~one surviving child, 35% of such compensation~~
23 ~~to two surviving children in equal shares and if there be three or~~
24 ~~more children, 50% of such compensation will be payable to such]~~
25 the member's surviving child or surviving children in equal shares.

26 If there is no surviving widow, widower or child, 25% of the
27 compensation upon which contributions by the member to the
28 annuity savings fund were based in the last year of creditable
29 service, will be payable to one surviving dependent parent or 40%
30 of such compensation will be payable to two surviving parents in
31 equal shares.

32 In the event of accidental death occurring in the first year of
33 creditable service, the benefits, payable pursuant to this subsection,
34 shall be computed at the annual rate of compensation.

35 (3) If there is no surviving widow, widower, child or dependent
36 parent, there shall be paid to any other beneficiary of the deceased
37 member, his aggregate contributions at the time of death.

38 (4) In no case shall the death benefit provided in subsection (2)
39 be less than that provided under subsection (3).

40 (5) In addition to the foregoing benefits payable under
41 subsection (2) or (3), there shall also be paid in one sum to such
42 beneficiary, if living, as the member shall have nominated by
43 written designation duly executed and filed with the retirement
44 system, otherwise to the executor or administrator of the member's
45 estate, an amount equal to 3 1/2 times the compensation upon which
46 contributions by the member to the annuity savings fund were based
47 in the last year of creditable service.

1 (6) In addition to the foregoing benefits, the State shall pay to
2 the member's employer-sponsored health insurance program all
3 health insurance premiums for the coverage of the member's
4 surviving widow or widower and dependent children.¹

5 (cf: P.L.2009, c.23, s.1)

6
7 ¹⁵ (New section) The adjustment in the benefit to a surviving
8 child or children made pursuant to the amendment of section 10 of
9 P.L.1944, c.255 (C.43:16A-10) by P.L. , c. (pending before the
10 Legislature as this bill) shall apply to a benefit entitlement initially
11 granted on or after January 1, 2016, and, if granted on or after that
12 date but before the effective date of P.L. , c. (pending before
13 the Legislature as this bill), still in effect on that effective date. The
14 adjustment in benefits to a surviving child or children pursuant to
15 the amendment of section 10 of P.L.1944, c.255 (C.43:16A-10) by
16 P.L. , c. (pending before the Legislature as this bill) shall apply
17 only for benefit payments made after the effective date of P.L. ,
18 c. (pending before the Legislature as this bill). No surviving
19 child of a deceased member of the retirement system shall be
20 granted a retroactive payment based upon the difference between
21 the benefit the person would have received if the adjustment made
22 pursuant to the amendment of section 10 of P.L.1944, c.255
23 (C.43:16A-10) by P.L. , c. (pending before the Legislature as
24 this bill) had been applicable at the date of entitlement and the
25 benefit that the surviving child has received from the date of
26 entitlement to the effective date of P.L. , c. (pending before the
27 Legislature as this bill).¹

28
29 ¹**[4.] 6.**¹ This act shall take effect immediately.