

LEGISLATIVE FISCAL ESTIMATE

[Third Reprint]

ASSEMBLY, No. 4882

STATE OF NEW JERSEY
218th LEGISLATURE

DATED: JUNE 25, 2019

SUMMARY

- Synopsis:

Permits certain members or retirees of PFRS, SPRS, or PERS to receive accidental disability retirement allowance for disability resulting from participation in 9/11 World Trade Center rescue, recovery, or cleanup operations.
- Type of Impact:

Indeterminate Expenditure Increase – State General Fund, local government funds.
- Agencies Affected:

Department of the Treasury, Division of Pensions and Benefits; local governments.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost Increase		Indeterminate	
Local Cost Increase		Indeterminate	

- This bill would result in an increase in contributions by the State and local government employers for the Police and Firemen’s Retirement System (PFRS), the State Police Retirement System (SPRS), and the Public Employees’ Retirement System (PERS). However, the cost increase cannot be estimated because it will depend on the number of members or retirees who incurred an illness, who can prove participation in the rescue, recovery, and cleanup operations, and who submit an application for the benefit. It is likely that the increase in costs will not be significant.

BILL DESCRIPTION

This bill provides that a member or retiree of the PFRS, the SPRS, and the PERS is eligible to receive an accidental disability retirement allowance for a permanent and total disability resulting from participation in 9/11 World Trade Center rescue, recovery, or cleanup operations.

The bill provides that permanent and total disability resulting from a qualifying condition or impairment of health will be presumed to have occurred during and as a result of the performance of a member's regular or assigned duties and not the result of the member's willful negligence, unless the contrary can be proved by competent evidence, if the member participated in World Trade Center rescue, recovery, or cleanup operations for a minimum of eight hours. The presumption is available whether or not the member was under orders or instruction by an employer to participate.

The bill also permits a member who did not participate in those operations for a minimum of eight hours to be eligible for the presumption provided that:

- (1) The member participated in the rescue, recovery, or cleanup operations at the World Trade Center site between September 11, 2001 and September 12, 2001;
- (2) The member sustained a documented physical injury at the World Trade Center site between September 11, 2001 and September 12, 2001 that is a qualifying condition or impairment of health resulting in a disability to the member that prevented the member from continuing to participate for a minimum of eight hours; and
- (3) The injury that resulted in a disability that prevented the member from continuing to participate for a minimum of eight hours is the qualifying condition or impairment of health for which the member is seeking a presumption.

In order to be eligible for the presumption a member must have successfully passed a physical examination for entry into public service which failed to disclose evidence of the qualifying condition or impairment of health.

The bill also provides for a reclassification of a retirant's retirement from a service retirement or an ordinary disability retirement to an accidental disability retirement if the retirant, while a member of the retirement system, participated in the World Trade Center rescue, recovery, or cleanup operations a minimum of eight hours and incurred a disability in retirement caused by a qualifying condition or impairment of health which the medical board determines to be caused by the member's participation in World Trade Center rescue, recovery or cleanup operations.

The recalculation of the benefit is for benefit payments on or after the date of the application, provided the member or retiree filed an application for recalculation within 30 days of the date that the member or retiree knew or should have known of the existence of the disability and its relation to the rescue, recovery, or cleanup operations. In order to be eligible for the recalculation, the member must have successfully passed a physical examination for entry into public service which failed to disclose evidence of the qualifying condition or impairment of health that formed the basis for the disability.

The PERS portion of the bill would apply only to any member or retiree who is or was enrolled in the Public Employees' Retirement System because the member or retiree did not meet the age or medical requirements for enrollment in the Police and Firemen's Retirement System on the basis of the position held, and to any emergency medical technician who is a member or retiree of the Public Employees' Retirement System.

In order to be eligible for the presumption or recalculation under the bill, the member or retiree is to file, within two years of the effective date of this act, a written and sworn statement with the retirement system on a form provided by the board of trustees indicating the dates and locations of service.

The bill delineates the diseases that qualify as a qualifying condition or impairment of health and defines "World Trade Center rescue, recovery, or cleanup operations" to mean the rescue, recovery, or cleanup operations at the World Trade Center site between September 11, 2001 and October 11, 2001. The bill also defines "World Trade Center site" to mean any location below a line starting from the Hudson River and Canal Street, east on Canal Street to Pike Street, south on Pike Street to the East River, and extending to the lower tip of Manhattan.

The bill will apply to a member or retiree regardless of whether the person was enrolled in the retirement system at the time of rescue, recovery, and cleanup operations. The person must otherwise be eligible for the benefit.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

This bill would result in an increase in contributions by the State and local government employers for the PFRS, the SPRS, and the PERS. However, the cost increase cannot be estimated because it will depend on the number of members or retirees who incurred an illness, who can prove participation in the rescue, recovery, and cleanup operations, and who submit an application for the benefit. It is likely that the increase in costs will not be significant.

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).