

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2317

with committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 12, 2020

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2317, with committee amendments.

As amended, this bill, designated as the “Dominick Marino PFRS Enhanced Benefits for Surviving Spouses Act,” enhances the accidental death benefit of a member of the Police and Firemen’s Retirement System (PFRS) for a member’s surviving spouse. Currently, that benefit is 70 percent of the compensation upon which contributions by the member to PFRS were based in the last year of creditable service. The bill provides an alternative benefit, if larger, of \$50,000 annually for the surviving spouse of a member who dies on or after the effective date of this bill.

COMMITTEE AMENDMENTS

The committee amended the bill to designate it as the “Dominick Marino PFRS Enhanced Benefits for Surviving Spouses Act.”

FISCAL IMPACT:

The Office of Legislative Services estimates that this bill will result in indeterminate, marginal State and local cost increases because its provision would apply only when the annual compensation of a member of the Police and Firemen’s Retirement System (PFRS) is less than \$71,429 at the time of death. The 2010 and 2013 experience studies and actuarial valuations for the PFRS indicate that out of ten accidental deaths since 2007, only one PFRS member, who died before 2010, had a salary below \$71,429 at the time of death.

According to a recent actuarial valuation, local PFRS members earn salaries greater than \$71,429 per year after four years of service and State PFRS members earn salaries greater than this amount after nine years of service.

According to the 2013 experience study, the incident rate of a PFRS accidental death is 0.296 percent, with the highest probability of the expected incidents of accidental death in the 40 to 44 and 45 to 49 year-old age groups.