

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 3208
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: NOVEMBER 23, 2020

SUMMARY

- Synopsis:** Provides accidental death benefits in certain circumstances to surviving spouse and surviving child of SPRS member or retiree who participated in 9/11 World Trade Center rescue, recovery, or cleanup operations.
- Type of Impact:** Expenditure Increase to the State General Fund.
- Agencies Affected:** Department of the Treasury, Division of Pensions and Benefits.

Office of Legislative Services Estimate

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

- This bill will provide accidental death benefits to an eligible surviving spouse or surviving child of a State Police Retirement System (SPRS) member or retiree who participated in the 9/11 World Trade Center operations, and subsequently died of an illness or disease contracted as a result of that participation.
- The bill will increase a surviving spouse’s benefit by 40 percent, from 50 percent of final compensation to 70 percent, resulting in an unfunded liability to the SPRS and increasing the contributions required to be paid by the State. The benefits also include State-paid health care coverage for the surviving spouse and surviving children.
- The aggregate cost increase cannot be estimated because it will depend on the number of surviving spouses or surviving children of SPRS who will become eligible for the increased annual benefits and, the health care benefits coverage, which are unknown at this time.

BILL DESCRIPTION

This bill provides accidental death benefits to a surviving spouse or surviving child of a deceased member or retiree of the State Police Retirement System (SPRS) if the member or retiree

participated in 9/11 World Trade Center rescue, recovery, or cleanup operations and subsequently the member's or retiree's health was impaired as a result of that participation. The bill specifies the circumstances under which the surviving spouse or surviving child would be eligible for the benefits and requires certain documentation to be provided to the board of trustees of the SPRS.

A law enacted in 2019 provides an accidental disability retirement to such SPRS members or retirees under certain circumstances. This bill also provides the accidental death benefits to the surviving spouses or surviving children of an SPRS retiree who died before July 8, 2019 and thus did not have available the option to receive the accidental disability retirement provided by the 2019 law. The bill provides accidental death benefits to a surviving spouse and surviving children if the retiree participated in 9/11 World Trade Center rescue, recovery, or cleanup operations and subsequently died in retirement before July 8, 2019 of a qualifying illness or disease contracted from that participation.

The accidental death benefits provide the surviving spouse with an annual payment of 70 percent of the member's final compensation, with certain annual adjustments that may be available to increase that final compensation over a certain period of time. If there is no surviving spouse, the surviving children receive the same annual payment. In addition, the surviving spouse or surviving children receive 3.5 times the retiree's final compensation as a lump sum payment regardless of the retiree's age at the time of death, and the State will pay the entire premium for the health care benefits coverage for the retiree's surviving spouse and surviving children. This benefit does not end when the surviving spouse remarries.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

This bill will provide accidental death benefits to an eligible surviving spouse or surviving child of a SPRS member or retiree who participated in the 9/11 World Trade Center operations and subsequently died of an illness or disease contracted as a result of that participation.

The bill will increase a surviving spouse's annual benefit by 40 percent, from 50 percent of final compensation to 70 percent, resulting in an unfunded liability to the SPRS and increasing the contributions required to be paid by the State. The surviving spouse and the surviving children will also receive State-paid health care benefits. The aggregate cost increase cannot be estimated because it will depend on the number of surviving spouses or surviving children of SPRS who will become eligible for the annual benefit provided and the cost of the health care benefits coverage, which are unknown at this time.

Section: *State Government*

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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.).