

ASSEMBLY, No. 1005

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblymen MORAN and CONNORS

1 AN ACT concerning pensions payable to certain retirants from the
2 Consolidated Police and Firemen's Pension Fund, the Police and
3 Firemen's Retirement System of New Jersey, and the Public
4 Employees' Retirement System of New Jersey, amending
5 R.S.43:16-1 and P.L.1944, c.255 and supplementing P.L.1955,
6 c.257 (C.43:15A-97 et seq.) and P.L.1958, c.143 (C.43:3B-1 et
7 seq.).

8
9 **BE IT ENACTED** by the Senate and General Assembly of the State
10 of New Jersey:

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12 1. R.S.43:16-1 is amended to read as follows:

13 43:16-1. a. In all municipalities any active member of a police
14 department or of a paid or part-paid fire department or of a county
15 police department including active members of the paid or part-paid
16 fire department of any fire district located in any township which has
17 adopted the provisions of an act entitled "An act providing for the
18 retirement of policemen and firemen of the police and fire departments
19 in municipalities of this State, including all police officers having
20 supervision or regulation of traffic upon county roads, and providing
21 a pension for such retired policemen and firemen and members of the
22 police and fire departments, and the widows, children and sole
23 dependent parents of deceased members of said department," approved
24 April 15, 1920 (P.L.1920, c.160) or of chapter 16 of Title 43 of the
25 Revised Statutes, who shall have served honorably in the police or fire
26 department for a period of 25 years, or any employee member of any
27 such department who shall have served honorably in such department
28 for a period of 25 years and who has reached the age of 60 years shall,
29 on his own application, be retired on a service retirement pension
30 equal to 60% of his final compensation. Any active member of the
31 police or paid or part-paid fire department including active members
32 of the paid or part-paid fire department of any fire district as aforesaid

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 who shall have served honorably for a period of 25 years and reached
2 the age of 65 years and any employee member of any such department
3 who shall have served honorably in such department for a period of 25
4 years and reached the age of 70 years shall be retired on a service
5 retirement pension equal to 60% of his final compensation.

6 The amount of the service retirement pension of any member of
7 such police or paid or part-paid fire department, who has served for
8 more than 25 years and who retires after [the effective date of this
9 1984 amendatory act] August 8, 1984, shall be increased by an amount
10 equal to 1% of his final compensation for each year of service in
11 excess of 25 years but not more than 30 years and 1% of his final
12 compensation for each year of service in excess of 30 years rendered
13 prior to his reaching age 65.

14 b. The service retirement pension payable under subsection a. of
15 this section to any person who served honorably in a police or fire
16 department for a period of 25 years and retired from the service of the
17 department prior to the effective date of P.L. , c. (C.)
18 (now pending before the Legislature as this bill) shall, commencing on
19 the first day of the month following that effective date, be increased by
20 an amount equal to 5% of the person's final compensation or by such
21 lesser amount as would, if added to the pension payable at the time of
22 retirement, provide a total service retirement pension of 70% of final
23 compensation. The provisions of this subsection shall not be
24 construed either to require a reduction in the pension payable to any
25 retirant or to provide for the payment of any adjustment in such a
26 benefit with respect to any period of time prior to the first day of the
27 month following that effective date.

28 (cf: P.L.1984, c.127, s.1)

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30 2. Section 16 of P.L.1964, c.241 (C.43:16A-11.1) is amended to
31 read as follows:

32 16. a. Should a member resign after having established 25 years of
33 creditable service, he may elect "special retirement," provided, that
34 such election is communicated by such member to the retirement
35 system by filing a written application, duly attested, stating at what
36 time subsequent to the execution and filing thereof he desires to be
37 retired. He shall receive, in lieu of the payment provided in section 11,
38 a retirement allowance which shall consist of:

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

41 (2) A pension in the amount which, when added to the member's
42 annuity, will provide a total retirement allowance of 65% of his final
43 compensation, plus 1% of his final compensation multiplied by the
44 number of years of creditable service over 25 but not over 30;
45 provided, however, that any member who has earned, prior to July 1,
46 1979, more than 30 years of creditable service, shall receive an

1 additional 1% of his final compensation for each year of his creditable
2 service over 30.

3 The board of trustees shall retire him at the time specified or at
4 such other time within one month after the date so specified as the
5 board finds advisable.

6 Upon the receipt of proper proofs of the death of such a retired
7 member, there shall be paid to his beneficiary an amount equal to
8 one-half of the final compensation received by the member.

9 b. The "special retirement" allowance payable under subsection a.
10 of this section to any person who retired under the retirement system
11 prior to December 20, 1989 shall, commencing on the first day of the
12 month following the effective date of P.L. , c. (C.) (now
13 pending before the Legislature as this bill), be increased by an amount
14 equal to 5% of the person's final compensation or by such lesser
15 amount as would, if added to the allowance payable at the time of
16 retirement, provide a total retirement allowance of 70% of final
17 compensation, except that in the case of such a retirant who retired on
18 or after July 1, 1979 and had earned prior to that date more than 30
19 years of creditable service, the amount of the increase shall be equal
20 to 5% of the person's final compensation irrespective of the total
21 retirement allowance which such an increase would provide. The
22 provisions of this subsection shall not be construed either to require a
23 reduction in the retirement allowance payable to any retirant or to
24 provide for the payment of any adjustment in such an allowance with
25 respect to any period of time prior to the first day of the month
26 following that effective date.

27 (cf: P.L.1989, c.204, s.4)

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29 3. (New section) a. Should a law enforcement officer member
30 resign after having established 25 years of creditable service, the
31 member shall receive, in addition to the service retirement allowance
32 provided in section 4 of P.L.1955, c.257 (C.43:15A-100), a
33 supplementary "special" retirement allowance equal to 5% of the
34 member's final compensation or such lesser amount as will, if added to
35 the member's service retirement allowance, provide a total retirement
36 allowance of 70% of the member's final compensation.

37 b. The supplementary "special" retirement allowance payable under
38 subsection a. of this section shall, commencing on the first day of the
39 month following the effective date of P.L. , c. (C.) (now
40 pending before the Legislature as this bill), be payable to any former
41 member of the retirement system who, prior to that effective date,
42 retired as a law enforcement officer member of the retirement system
43 after having established 25 years of creditable service. The provisions
44 of this subsection shall not be construed either to require a reduction
45 in the retirement allowance payable to any retirant or to provide for
46 the payment of any adjustment in such an allowance with respect to

1 any period of time prior to the first day of the month following that
2 effective date.

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4 4. (New section) The provisions of section 7 of P.L.1969, c.169
5 (C.43:3B-8) shall not apply to R.S.43:16-1 or section 16 of P.L.1964,
6 c.241 (C.43:16A-11.1) as amended by P.L. , c. (C.) (now
7 pending before the Legislature as this bill), or to section 3 of that
8 P.L. , c. (C.), and the annual cost of living adjustment
9 received by retirants and beneficiaries under P.L.1958, c.143
10 (C.43:3B-1 et seq.) shall be calculated as of the date of the benefit
11 year of the member of the appropriate pension fund or retirement
12 system.

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14 5. This act shall take effect on the 90th day following enactment.

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STATEMENT

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19 This bill provides for an increase in the pension allowance payable
20 to certain previously retired members of the Consolidated Police and
21 Firemen's Pension Fund (CPFPPF) and the Police and Firemen's
22 Retirement System (PFRS), and to certain past and prospective law
23 enforcement officer (LEO) retirants under the Public Employees'
24 Retirement System (PERS). To be eligible for the increase, a retirant
25 from any of the specified retirement systems must have rendered at
26 least 25 years of creditable service under the system. The amount of
27 the increase would be 5% of the retirant's final compensation, or such
28 lesser amount as would provide the retirant with a total pension of
29 70% of final compensation.

30 This legislation is intended to establish pension benefit parity
31 between the individuals to whom it applies and their fellow public
32 safety officers who retired from the PFRS after a 5% increase in the
33 "special retirement" allowance under that system, enacted into law as
34 P.L.1989, c.204, became effective on December 20, 1989.

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40 Increases pensions of certain retired public safety officer members of
PERS, CPFPPF and PFRS.