

ASSEMBLY, No. 1006

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 increasing the amount of the adjustment of certain retirement
2 allowances and survivor benefits and amending P.L.1969, c.169.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 6 of P.L.1969, c.169 (C.43:3B-7) is amended to read as
8 follows:

9 6. a. On or before October 1, 1977 and by the same date in each
10 subsequent year, the Director of the Division of Pensions shall review
11 the index and determine the percentum of change in the index from the
12 benefit year index. In determining the percentum of change the
13 director shall use the index for the year ending the August 31 prior to
14 the date of review, dividing such index by the benefit year index and
15 then subtracting 100% from the resulting quotient expressed to the
16 nearest 1/100 of 1%. The percentage of adjustment shall be 3/5 of the
17 percentum of change. Any adjustment so calculated shall apply to all
18 of the months of the following calendar year for eligible retirants and
19 beneficiaries, except for those qualifying for the first time, it shall
20 apply only to those months of the following calendar year in which the
21 retirant or beneficiary is eligible to receive the adjustment.

22 b. In the case of any retirant or beneficiary under the provisions of
23 P.L.1955, c.257 (C.43:15A-97 et seq.), of chapter 16 of this title, or
24 of P.L.1944, c.255 (C.43:16A-1 et seq.), including a person who
25 retired or became a beneficiary prior to the effective date of P.L. __,
26 c. __ (now pending before the Legislature as this bill), on and after
27 October 1 following that effective date, the percentage of adjustment
28 shall be 100% of the percentum of change in the index.

29 c. The director shall include[(a)]in his corpus appropriation request
30 for the administration of the act on behalf of those retirants and
31 beneficiaries for whom the State assumes the costs attributable to this
32 act, and[, (b)]in his certification of amounts due from each employer

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 in accordance with section 4 of the Pension Adjustment Act, (1)
2 amounts sufficient to adjust the retirement allowances, survivorship
3 benefits or pensions payable to all eligible retirants and beneficiaries
4 by $\frac{3}{5}$ of the percentum of change in the index as such retirement
5 allowances, survivorship benefits or pensions may have been originally
6 granted, or increased for certain retirants or beneficiaries in
7 accordance with section 3 of the Pension Adjustment Act, and (2) such
8 additional amounts as are necessary to adjust the retirement allowance,
9 pension or survivorship benefit due retirants or beneficiaries under the
10 annual adjustment provisions set forth in subsection b. of this section.

11 In no instance shall the amount of the retirement allowance or pension
12 originally granted and payable to any retirant be reduced as a result of
13 the adjustment made pursuant to the provisions of P.L.1969, c.169.

14 [b.]d. For purposes of this act a "retirant" shall mean any retirant
15 who has or shall have received a retirement allowance or pension for
16 no less than 24 months and a "beneficiary" shall mean any beneficiary
17 who has or shall have received for no less than 24 months a pension,
18 or survivorship benefit, or whose increased pension pursuant to the
19 provisions of the statutes stipulated in subsection d(4) of section 1 of
20 the act to which this act is an amendment (C.43:3B-1). In the case of
21 beneficiaries, all or any part of the 24 month period shall include the
22 period in which the retirant was entitled to receive his retirement
23 allowance or pension.

24 (cf: P.L.1977, c.306, s.4)

25

26 2. This act shall take effect July 1 next following enactment.

27

28

29

STATEMENT

30

31 This bill would permanently increase the cost of living adjustment
32 in pension allowances and survivor benefits for all retirants and
33 beneficiaries under the Consolidated Police and Firemen's Pension
34 Fund (CPFPPF) and the Police and Firemen's Retirement System
35 (PFRS), and also for retired law enforcement officers (LEOs) and their
36 beneficiaries under the Public Employees' Retirement System (PERS).
37 Under current law, the amount of the adjustment is fixed at three-fifths
38 (60%) of the percentum of change in the federal Consumer Price Index
39 for Urban Wage Earners and Clerical Workers. Under the bill, the
40 amount of the adjustment would, for the indicated categories of
41 retirants and beneficiaries, be increased to 100% of the change in the
42 index.

1

2

3 Increases cost of living adjustment in pension allowances and survivor

4 benefits payable to certain former public safety officers and their

5 survivors.