

ASSEMBLY, No. 1008

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 minimum amount of the ordinary disability
2 retirement allowance under the Police and Firemen's Retirement
3 System of New Jersey, amending P.L.1944, c.255 and
4 supplementing P.L.1958, c.143 (C.43:3B-1 et seq.).
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6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

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9 1. Section 6 of P.L.1944, c.255 (C.43:16A-6) is amended to read
10 as follows:

11 6. (1) Upon the written application by a member in service, by one
12 acting in his behalf or by his employer, any member, under 55 years of
13 age, who has had five or more years of creditable service may be
14 retired on an ordinary disability retirement allowance; provided, that
15 the medical board, after a medical examination of such member, shall
16 certify that such member is mentally or physically incapacitated for the
17 performance of his usual duty and of any other available duty in the
18 department which his employer is willing to assign to him and that
19 such incapacity is likely to be permanent and to such an extent that he
20 should be retired.

21 (2) Upon retirement for ordinary disability, a member shall receive
22 an ordinary disability retirement allowance which shall consist of:

23 (a) An annuity which shall be the actuarial equivalent of his
24 aggregate contributions and

25 (b) A pension in the amount which, when added to the member's
26 annuity, will provide a total retirement allowance of 1 1/2 % of
27 average final compensation multiplied by his number of years of
28 creditable service but in no event shall the total allowance be less than
29 ~~[40%]~~50% of the member's average final compensation.

30 (3) Upon the receipt of proper proofs of the death of a member
31 who has retired on an ordinary disability retirement allowance, there
32 shall be paid to such member's beneficiary, an amount equal to 3 1/2

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 times the compensation upon which contributions by the member to
2 the annuity savings fund were based in the last year of creditable
3 service; provided, however, that if such death shall occur after the
4 member shall have attained 55 years of age the amount payable shall
5 equal 1/2 of such compensation instead of 3 1/2 times such
6 compensation.

7 (cf: P.L.1989, c.204, s.2)

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9 2. (New section) The provisions of section 7 of P.L.1969, c.169
10 (C.43:3B-8) shall not apply to section 6 of P.L.1944, c.255
11 (C.43:16A-6) as amended by P.L. , c. (C.) (now pending
12 before the Legislature as this bill), and the annual cost of living
13 adjustment received by retirants and beneficiaries under P.L.1958,
14 c.143 (C.43:3B-1 et seq.) shall be calculated as of the date of the
15 benefit year of the member of the retirement system.

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17 3. This act shall take effect immediately, and the increase in
18 benefits provided under this act shall be applicable to the amount of
19 any retirement allowance payable under subsection (2) of section 6 of
20 P.L.1944, c.255 (C.43:16A-6) on or after the first day of the month
21 next following that effective date.

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STATEMENT

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26 This bill increases the minimum amount of the ordinary disability
27 retirement allowance under the Police and Firemen's Retirement
28 System (PFRS) from 40% to 50% of the retirant's average final
29 compensation. The purpose of the legislation is to establish parity of
30 benefits in PFRS between ordinary disability retirants and surviving
31 spouses; the benefit payable to the surviving spouse of a retired
32 member of PFRS (N.J.S.A.43:16A-12.1) was increased to 50% of
33 average final compensation under P.L.1991, c.511.

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39 Increases minimum amount of PFRS ordinary disability retirement
allowance from 40% to 50% of average final compensation.