

ASSEMBLY, No. 1252

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman **AZZOLINA** and Assemblywoman **J. SMITH**

1 AN ACT concerning the Police and Firemen's Retirement System of
2 New Jersey and amending P.L.1944, c.255.

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

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

9 1. As used in this act:

10 (1) "Retirement system" or "system" shall mean the Police and
11 Firemen's Retirement System of New Jersey as defined in section 2 of
12 this act.

13 (2) (a) "Policeman" shall mean a permanent, full-time employee of
14 a law enforcement unit as defined in section 2 of P.L.1961, c.56
15 (C.52:17B-67) or the State, other than an officer or trooper of the
16 Division of State Police whose position is covered by the State Police
17 Retirement System, whose primary duties include the investigation,
18 apprehension or detention of persons suspected or convicted of
19 violating the criminal laws of the State and who:

20 (I) is authorized to carry a firearm while engaged in the actual
21 performance of his official duties;

22 (ii) has police powers;

23 (iii) is required to complete successfully the training requirements
24 prescribed by P.L.1961, c.56 (C.52:17B-66 et seq.) or comparable
25 training requirements as determined by the board of trustees; and

26 (iv) is subject to the physical and mental fitness requirements
27 applicable to the position of municipal police officer established by an
28 agency authorized to establish these requirements on a Statewide
29 basis, or comparable physical and mental fitness requirements as
30 determined by the board of trustees.

31 The term shall also include an administrative or supervisory
32 employee of a law enforcement unit or the State whose duties include

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 general or direct supervision of employees engaged in investigation,
2 apprehension or detention activities or training responsibility for these
3 employees and a requirement for engagement in investigation,
4 apprehension or detention activities if necessary, and who is
5 authorized to carry a firearm while in the actual performance of his
6 official duties and has police powers.

7 (b) "Fireman" shall mean a permanent, full-time employee of a
8 firefighting unit whose primary duties include the control and
9 extinguishment of fires and who is subject to the training and physical
10 and mental fitness requirements applicable to the position of municipal
11 firefighter established by an agency authorized to establish these
12 requirements on a Statewide basis, or comparable training and physical
13 and mental fitness requirements as determined by the board of trustees.
14 The term shall also include an administrative or supervisory employee
15 of a firefighting unit whose duties include general or direct supervision
16 of employees engaged in fire control and extinguishment activities or
17 training responsibility for these employees and a requirement for
18 engagement in fire control and extinguishment activities if necessary.
19 As used in this paragraph, "firefighting unit" shall mean a municipal
20 fire department, a fire district, or an agency of a county or the State
21 which is responsible for control and extinguishment of fires.

22 (3) "Member" shall mean any policeman or fireman included in the
23 membership of the retirement system pursuant to this amendatory and
24 supplementary act, P.L.1989, c.204 (C.43:16A-15.6 et al.).

25 (4) "Board of trustees" or "board" shall mean the board provided
26 for in section 13 of this act.

27 (5) "Medical board" shall mean the board of physicians provided
28 for in section 13 of this act.

29 (6) "Employer" shall mean the State of New Jersey, the county,
30 municipality or political subdivision thereof which pays the particular
31 policeman or fireman.

32 (7) "Service" shall mean service as a policeman or fireman paid for
33 by an employer.

34 (8) "Creditable service" shall mean service rendered for which
35 credit is allowed as provided under section 4 of this act.

36 (9) "Regular interest" shall mean interest as determined by the
37 State Treasurer, after consultation with the Directors of the Divisions
38 of Investment and Pensions, the board of trustees and the actuary. It
39 shall bear a reasonable relationship to the percentage rate of earnings
40 on investments based on the market value of assets but shall not
41 exceed the assumed percentage rate of increase applied to salaries plus
42 3%, provided however that the board of trustees shall not set the
43 average percentage rate of increase applied to salaries below 6%.

44 (10) "Aggregate contributions" shall mean the sum of all the
45 amounts, deducted from the compensation of a member or contributed
46 by him or on his behalf, standing to the credit of his individual account

1 in the annuity savings fund.

2 (11) "Annuity" shall mean payments for life derived from the
3 aggregate contributions of a member.

4 (12) "Pension" shall mean payments for life derived from
5 contributions by the employer.

6 (13) "Retirement allowance" shall mean the pension plus the
7 annuity.

8 (14) "Earnable compensation" shall mean the full rate of the salary
9 that would be payable to an employee if he worked the full normal
10 working time for his position. In cases where salary includes
11 maintenance, the retirement system shall fix the value of that part of
12 the salary not paid in money which shall be considered under this act.

13 (15) "Average final compensation" shall mean the average annual
14 salary upon which contributions are made for the three years of
15 creditable service immediately preceding his retirement or death, or it
16 shall mean the average annual salary for which contributions are made
17 during any three fiscal years of his or her membership providing the
18 largest possible benefit to the member or his beneficiary.

19 (16) "Retirement" shall mean the termination of the member's
20 active service with a retirement allowance granted and paid under the
21 provisions of this act.

22 (17) "Annuity reserve" shall mean the present value of all payments
23 to be made on account of any annuity or benefit in lieu of any annuity
24 computed upon the basis of such mortality tables recommended by the
25 actuary as shall be adopted by the board of trustees, and regular
26 interest.

27 (18) "Pension reserve" shall mean the present value of all payments
28 to be made on account of any pension or benefit in lieu of any pension
29 computed upon the basis of such mortality tables recommended by the
30 actuary as shall be adopted by the board of trustees, and regular
31 interest.

32 (19) "Actuarial equivalent" shall mean a benefit of equal value
33 when computed upon the basis of such mortality tables recommended
34 by the actuary as shall be adopted by the board of trustees, and regular
35 interest.

36 (20) "Beneficiary" shall mean any person receiving a retirement
37 allowance or other benefit as provided by this act.

38 (21) "Child" shall mean a deceased member's or retirant's
39 unmarried child (a) under the age of 18, or (b) 18 years of age or older
40 and enrolled in a secondary school, or (c) under the age of 24 and
41 enrolled in a degree program in an institution of higher education for
42 at least 12 credit hours in each semester, provided that the member
43 died in active service as a result of an accident met in the actual
44 performance of duty at some definite time and place, and the death
45 was not the result of the member's willful misconduct, or (d) of any
46 age who, at the time of the member's or retirant's death, is disabled

1 because of mental retardation or physical incapacity, is unable to do
2 any substantial, gainful work because of the impairment and his
3 impairment has lasted or can be expected to last for a continuous
4 period of not less than 12 months, as affirmed by the medical board.

5 (22) "Parent" shall mean the parent of a member who was receiving
6 at least one-half of his support from the member in the 12-month
7 period immediately preceding the member's death or the accident
8 which was the direct cause of the member's death. The dependency of
9 such a parent will be considered terminated by marriage of the parent
10 subsequent to the death of the member.

11 (23) "Widower" shall mean the man to whom a member or retirant
12 was married at least ~~[two years]~~ one year before the date of her death
13 and to whom she continued to be married until the date of her death
14 and who ~~[was receiving at least one-half of his support from the~~
15 ~~member or retirant in the 12-month period immediately preceding the~~
16 ~~member's or retirant's death or the accident which was the direct~~
17 ~~cause of the member's death. The dependency of such a widower will~~
18 ~~be considered terminated by marriage of the widower subsequent to~~
19 ~~the death of the member or retirant]~~ has not remarried. In the event
20 of the payment of an accidental death benefit, the ~~[two-year]~~ one-year
21 qualification shall be waived.

22 (24) "Widow" shall mean the woman to whom a member or retirant
23 was married at least ~~[two years]~~ one year before the date of his death
24 and to whom he continued to be married until the date of his death and
25 who has not remarried. In the event of the payment of an accidental
26 death benefit, the ~~[two-year]~~ one-year qualification shall be waived.

27 (25) "Fiscal year" shall mean any year commencing with July 1, and
28 ending with June 30, next following.

29 (26) "Compensation" shall mean the base salary, for services as a
30 member as defined in this act, which is in accordance with established
31 salary policies of the member's employer for all employees in the same
32 position but shall not include individual salary adjustments which are
33 granted primarily in anticipation of the member's retirement or
34 additional remuneration for performing temporary duties beyond the
35 regular workday.

36 (27) "Department" shall mean any police or fire department of a
37 municipality or a fire department of a fire district located in a township
38 or a county police or park police department or the appropriate
39 department of the State or instrumentality thereof.

40 (28) "Final compensation" means the compensation received by the
41 member in the last 12 months of creditable service preceding his
42 retirement.

43 (29) (Deleted by amendment, P.L.1992, c.78).

44 (30) (Deleted by amendment, P.L.1992, c.78).

45 (cf: P.L.1992, c.125, s.13)

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

3 10. (1) Upon the death of a member in active service as a result of
4 an accident met in the actual performance of duty at some definite time
5 and place, and such death was not the result of the member's willful
6 negligence, an accidental death benefit shall be payable if a report of
7 the accident is filed in the office of the retirement system within 60
8 days next following the accident, but the board of trustees may waive
9 such time limit, for a reasonable period, if in the judgment of the board
10 the circumstances warrant such action. No such application shall be
11 valid or acted upon unless it is filed in the office of the retirement
12 system within five years of the date of such death.

13 The provisions of this subsection shall also apply to a member who
14 is a fireman and who dies as a result of an accident met in the actual
15 performance of duty as a volunteer fireman in any municipality in the
16 State, provided the member's death was not the result of the member's
17 willful negligence.

18 (2) Upon the receipt of proper proofs of the death of a member on
19 account of which an accidental death benefit is payable, there shall be
20 paid to his widow or [dependent] widower a pension of 70% of the
21 compensation, upon which contributions by the member to the annuity
22 savings fund were based in the last year of creditable service, for the
23 use of herself or himself and the children of the deceased member, to
24 continue during her or his widowhood; if there is no surviving widow
25 or [dependent] widower or in case the widow or [dependent] widower
26 dies or remarries, 20% of such compensation will be payable to one
27 surviving child, 35% of such compensation to two surviving children
28 in equal shares and if there be three or more children, 50% of such
29 compensation will be payable to such children in equal shares.

30 If there is no surviving widow, [dependent] widower or child, 25%
31 of the compensation upon which contributions by the member to the
32 annuity savings fund were based in the last year of creditable service,
33 will be payable to one surviving dependent parent or 40% of such
34 compensation will be payable to two surviving parents in equal shares.

35 In the event of accidental death occurring in the first year of
36 creditable service, the benefits, payable pursuant to this subsection,
37 shall be computed at the annual rate of compensation.

38 (3) If there is no surviving widow, [dependent] widower, child or
39 dependent parent, there shall be paid to any other beneficiary of the
40 deceased member, his aggregate contributions at the time of death.

41 (4) In no case shall the death benefit provided in subsection (2) be
42 less than that provided under subsection (3).

43 (5) In addition to the foregoing benefits payable under subsection
44 (2) or (3), there shall also be paid in one sum to such beneficiary, if
45 living, as the member shall have nominated by written designation duly
46 executed and filed with the retirement system, otherwise to the

1 executor or administrator of the member's estate, an amount equal to
2 3 ½ times the compensation upon which contributions by the member
3 to the annuity savings fund were based in the last year of creditable
4 service.

5 (6) In addition to the foregoing benefits, the State shall pay to the
6 member's employer-sponsored health insurance program all health
7 insurance premiums for the coverage of the member's surviving widow
8 or [dependent] widower and dependent children.
9 (cf: P.L.1994, c.15, s.1)

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11 3. This act shall take effect immediately and shall be retroactive to
12 January 1, 1995.

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STATEMENT

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17 This bill shortens the length of time that the surviving spouse of a
18 retirant from the Police and Firemen's Retirement System (PFRS) must
19 have been married to the retirant before the latter's death in order for
20 the spouse to qualify for a widow or widower's pension under the
21 retirement system.

22 The PFRS statute provides that upon the death after retirement of
23 a PFRS member, there shall be paid to the retirant's widow or widower
24 a pension of 50% of average compensation for the three years of
25 creditable service preceding retirement or any three fiscal years
26 providing the largest possible benefit.

27 Under current law, "widow" and "widower" mean the woman or the
28 man, respectively, to whom a PFRS retirant was married at least two
29 years before the date of the retirant's death and to whom the retirant
30 continued to be married until death and who has not remarried. This
31 bill changes the two-year period to one year.

32 In addition, the bill eliminates a requirement, applicable to
33 widowers but not to widows, that to be eligible for a pension, the
34 survivor must have been receiving at least one-half of his support from
35 the decedent in the year preceding her death.

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40 Shortens to one year duration of marriage requirement for PFRS
41 widow's or widower's pension; eliminates dependency requirement for
42 PFRS widower's pension.