

ASSEMBLY, No. 1252

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

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

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  
33 general or direct supervision of employees engaged in investigation,

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

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

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

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

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

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

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

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

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

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

- 1 (11) "Annuity" shall mean payments for life derived from the  
2 aggregate contributions of a member.
- 3 (12) "Pension" shall mean payments for life derived from  
4 contributions by the employer.
- 5 (13) "Retirement allowance" shall mean the pension plus the  
6 annuity.
- 7 (14) "Earnable compensation" shall mean the full rate of the salary  
8 that would be payable to an employee if he worked the full normal  
9 working time for his position. In cases where salary includes  
10 maintenance, the retirement system shall fix the value of that part of  
11 the salary not paid in money which shall be considered under this act.
- 12 (15) "Average final compensation" shall mean the average annual  
13 salary upon which contributions are made for the three years of  
14 creditable service immediately preceding his retirement or death, or it  
15 shall mean the average annual salary for which contributions are made  
16 during any three fiscal years of his or her membership providing the  
17 largest possible benefit to the member or his beneficiary.
- 18 (16) "Retirement" shall mean the termination of the member's  
19 active service with a retirement allowance granted and paid under the  
20 provisions of this act.
- 21 (17) "Annuity reserve" shall mean the present value of all payments  
22 to be made on account of any annuity or benefit in lieu of any annuity  
23 computed upon the basis of such mortality tables recommended by the  
24 actuary as shall be adopted by the board of trustees, and regular  
25 interest.
- 26 (18) "Pension reserve" shall mean the present value of all payments  
27 to be made on account of any pension or benefit in lieu of any pension  
28 computed upon the basis of such mortality tables recommended by the  
29 actuary as shall be adopted by the board of trustees, and regular  
30 interest.
- 31 (19) "Actuarial equivalent" shall mean a benefit of equal value  
32 when computed upon the basis of such mortality tables recommended  
33 by the actuary as shall be adopted by the board of trustees, and regular  
34 interest.
- 35 (20) "Beneficiary" shall mean any person receiving a retirement  
36 allowance or other benefit as provided by this act.
- 37 (21) "Child" shall mean a deceased member's or retirant's  
38 unmarried child (a) under the age of 18, or (b) 18 years of age or older  
39 and enrolled in a secondary school, or (c) under the age of 24 and  
40 enrolled in a degree program in an institution of higher education for  
41 at least 12 credit hours in each semester, provided that the member  
42 died in active service as a result of an accident met in the actual  
43 performance of duty at some definite time and place, and the death  
44 was not the result of the member's willful misconduct, or (d) of any  
45 age who, at the time of the member's or retirant's death, is disabled  
46 because of mental retardation or physical incapacity, is unable to do

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

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

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

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

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

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

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

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

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

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

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

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

1 read as follows:

2 10. (1) Upon the death of a member in active service as a result of  
3 an accident met in the actual performance of duty at some definite time  
4 and place, and such death was not the result of the member's willful  
5 negligence, an accidental death benefit shall be payable if a report of  
6 the accident is filed in the office of the retirement system within 60  
7 days next following the accident, but the board of trustees may waive  
8 such time limit, for a reasonable period, if in the judgment of the board  
9 the circumstances warrant such action. No such application shall be  
10 valid or acted upon unless it is filed in the office of the retirement  
11 system within five years of the date of such death.

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

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

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

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

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

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

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

1 3 ½ times the compensation upon which contributions by the member  
2 to the annuity savings fund were based in the last year of creditable  
3 service.

4 (6) In addition to the foregoing benefits, the State shall pay to the  
5 member's employer-sponsored health insurance program all health  
6 insurance premiums for the coverage of the member's surviving widow  
7 or [dependent] widower and dependent children.

8 (cf: P.L.1994, c.15, s.1)

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

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16 Shortens to one year duration of marriage requirement for PFRS  
17 widow's or widower's pension; eliminates dependency requirement for  
18 PFRS widower's pension.