

[First Reprint]
ASSEMBLY, No. 1699

STATE OF NEW JERSEY

INTRODUCED MARCH 4, 1996

By Assemblymen BROWN and KELLY

1 AN ACT concerning the employees' retirement system of certain cities
2 of the first class and amending P.L.1954, c.218 and P.L.1972,
3 c.122.

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

7
8 1. Section 1 of P.L.1954, c.218 (C.43:13-22.3) is amended to read
9 as follows:

10 1. As used in this act:

11 "Service" shall always, unless otherwise stated, be considered as in
12 the aggregate.

13 "Salary" or "compensation," when used solely for the purpose of
14 fixing benefits under this act, means annual salary or compensation
15 earned by a member as a permanent employee at the time of his death
16 or retirement[; provided, however, that \$16,000.00 shall be the
17 maximum amount of the annual salary of any member which shall be
18 considered for any purpose under this act; provided further, however,
19 that as to any employee who, at the time of the adoption of this act, is
20 a member of any retirement system in operation in the city under and
21 by virtue of article 2, chapter 13, Title 43 of the Revised Statutes; and
22 of chapter 18, Title 43 of the Revised Statutes; and of chapter 19,
23 Title 43 of the Revised Statutes, the total annual salary received by
24 such member as a permanent employee at the time of his death or
25 retirement shall be considered for pension or other purposes under this
26 act, except as otherwise provided herein, and further that where an
27 employee heretofore has been receiving more than \$12,000.00 in
28 salary or compensation prior to the effective date of the amendment
29 increasing the salary or compensation ceiling to \$16,000.00, and he
30 did not pay into the system all sums that he would have contributed on
31 his full salary he shall not be eligible for the benefits permitted by the

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ASG committee amendments adopted May 1, 1997.

1 increased ceiling unless he pays into the system all said sums he would
2 have paid had he not failed to contribute continuously. Application for
3 the exercise of such option shall be made to the commission within 6
4 months next succeeding the effective date of this amendatory act.

5 (a) Any such benefit for retirement or otherwise accruing as a
6 result of the increase in the salary or compensation ceiling for more
7 than \$12,000.00 shall be on the average annual salary received by such
8 employee member for 1 year preceding his retirement.

9 (b) The repayment of any contributions shall be made within such
10 period of time as shall be granted by the commission but at no time for
11 a greater period than 3 years].

12 "Pension fund" or "fund" means the fund referred to in section 2 of
13 this act, and is the fund from which pensions and other benefits
14 provided for in this act shall be paid.

15 "State" shall, unless otherwise stated, mean the State of New
16 Jersey.

17 "City," unless otherwise specified, means any city of the first class
18 of the State of New Jersey having, at the time of the enactment of this
19 act, a population in excess of 400,000 inhabitants.

20 "His" shall be construed to mean both sexes.

21 "City employee" or "employee" means and includes all permanent
22 employees as defined by Title [11] 11A of the [Revised] New Jersey
23 Statutes [of New Jersey] (Civil Service Law) in service in any city of
24 the first class of this State, as hereinabove defined; and shall mean and
25 include all permanent employees of any city board, body or
26 commission maintained out of city funds in such city. Notwithstanding
27 the provisions of any other statute of this State, any person under 45
28 years of age hereafter accepting permanent employment in the city
29 (excepting uniformed policemen and firemen) shall, subject to the
30 provisions of section 13(a) of this act, become a member of the
31 pension fund provided by this act as a "city employee" or "employee"
32 as hereinabove defined; and except as herein otherwise provided, any
33 such person of the age of 45 years or over shall be ineligible to become
34 a member; provided, however, that any employee who, at the time of
35 the adoption of this act, is a member of any retirement system in
36 operation in such city under and by virtue of article 2, chapter 13, Title
37 43 of the Revised Statutes; or of chapter 18, Title 43 of the Revised
38 Statutes; or of chapter 19, Title 43 of the Revised Statutes, shall not
39 be barred from membership in this retirement system on account of age
40 of any such employee.

41 Notwithstanding the provisions of chapter 1, Title 43 of the Revised
42 Statutes, any present employee of the city as herein defined, who was
43 not more than 45 years of age at the time of his permanent
44 appointment, shall, subject to the provisions of section 13 of this act,
45 have the right, subject to section 13(b) of this act, to become a
46 member of the retirement system established by this act, by declaring

1 his intention in writing so to do, within 2 months after the formation
2 of the commission created by this act.

3 All such applicants shall submit to and pass a physical examination
4 as required by the commission, and shall pay into the retirement
5 system all arrears of dues and assessments determined by the
6 commission, with interest thereon at 3%, in order to receive credit for
7 said prior service as an employee, for the purposes of this act. The
8 maximum length of time to be afforded any such employee for
9 payment of said arrears and interest thereon shall be 5 years from the
10 date of membership in said system.

11 "Widow" or "widower" means the surviving spouse of a city
12 employee married to such employee for a period of at least 5 years
13 prior to the retirement or death of such employee, except as otherwise
14 provided herein, and said marriage having occurred prior to the time
15 when such employee reached the age of 55 years, except that where
16 death results from and as a result of an accident or injury sustained in
17 the line of duty, the widow or widower shall be entitled to the benefits
18 hereinafter set forth, even though the marriage has not been in
19 existence for a period of 5 years; provided, however, that no pension
20 shall be paid to the widow or widower unless he or she was receiving
21 at least one-half of his or her support from the employee or pensioner
22 member in the 12-month period immediately preceding the member's
23 death or the accident which was a direct cause of the member's death.
24 The dependency of such widow or widower shall be considered
25 terminated by the remarriage of the widow or widower subsequent to
26 the member's death. No pension shall be paid to any minor child or
27 dependent parent of such employee unless such minor child or
28 dependent parent shall be and shall continue to remain dependent upon
29 the income which such employee was receiving at the time of his or
30 her death. The pension commission shall determine the question of the
31 dependency of the surviving spouse, minor child or dependent parent,
32 as well as the ability of the surviving spouse to pursue some gainful
33 occupation.

34 "Minor child" means a child under the age of 18 years, whose father
35 or mother was married to the employee-member for a period of at least
36 5 years prior to the retirement of said employee, and the said marriage
37 having occurred prior to the time such employee arrived at the age of
38 55 years. It shall also mean a child of any age who is permanently and
39 totally disabled as determined by the commission by virtue of physical
40 or mental deficiencies precluding engagement in gainful employment
41 and who is solely dependent for support upon the employee-member.

42 "Dependent parent" shall mean a dependent parent or parents who
43 is or are solely dependent for support upon the employee-member.

44 "Commission" shall mean pension commission.

45 "Commissioners" shall mean pension commissioners, unless
46 otherwise specified.

1 "Permanent" and "total" disability means physical or mental
2 incapacity of an employee, as determined by the commission, and
3 which would make the employee unable to perform the duties of his
4 position or office.

5 "Employees' Retirement System of (name of city)" shall be the name
6 of the retirement system provided under the provisions of this act. By
7 that name all of its business shall be transacted, its funds invested,
8 warrants for money drawn and payments made, and all of its cash and
9 securities and other property held.

10 "So long as he or she remains unmarried" when referring to widows
11 or widowers, shall mean "until he or she remarries."

12 (cf: P.L.1979, c.281, s.1)

13

14 2. Section 17 of P.L.1954, c.218 (C.43:13-22.19) is amended to
15 read as follows:

16 17. Subject to the other provisions of this act, any employee
17 member who shall have served or who shall hereafter have served in
18 the employ of such city in the aggregate for a period of 30 years and
19 who shall have attained the age of 55 years, or who shall have served
20 in the aggregate for a period of 25 years and who have or have not
21 attained the age of 60 years, shall, upon his application, be retired on
22 a pension equal to [one-half] ¹[62%] one-half¹ of the salary he is
23 receiving at the time of his retirement, and for each year of service
24 beyond 30 years and up to [40] ¹[35] 40¹ years the retiring employee
25 shall, for each additional year, receive an additional pension of 2 1/2%
26 of the salary received by him at the time of his retirement; provided,
27 however, that the pension shall be reduced by 1/4 of 1% for each
28 month that the member lacks of being age 55, and that no pension shall
29 exceed three-quarters of the annual salary received by the said
30 employee member[, nor shall any pension exceed the sum of
31 \$12,000.00 per annum].

32 (cf: P.L.1975, c.108, s.2)

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34 3. Section 6 of P.L.1972, c.122 (C.43:13-22.19a) is amended to
35 read as follows:

36 6. (a) Should an employee member, after having completed at least
37 25 years of service for credit has been established in the pension fund,
38 be separated voluntarily or involuntarily from the service, and not by
39 removal for cause on charges of misconduct or delinquency, after
40 reaching age 55, he may elect to receive the payments provided for in
41 section 17 (C.43:13-22.19), if he so qualifies under said section, or the
42 benefit provided by subsection (b) of this section, or a pension
43 beginning at the time he would otherwise be normally entitled to
44 receive it but for his separation from service, in the amount of
45 [one-half] ¹[62%] one-half¹ of the salary he was receiving at the time
46 of separation, provided however that such pension shall be reduced in

1 accordance with a table of proportionate actuarial equivalents
2 recommended by the actuary and adopted by the commission reflecting
3 all months that a member lacks of having 30 years' service.

4 (b) Should an employee member, after having completed at least
5 15 years of service for which credit has been established in the pension
6 fund, be separated voluntarily or involuntarily from the service, and
7 not by removal for cause on charges of misconduct or delinquency,
8 before reaching age 60, such person may elect to receive the payments
9 provided for in section 17 (C.43:13-22.19), if he so qualifies under
10 said section, or a deferred pension beginning at age 60 or thereafter,
11 in the amount that his years of service as credited in the fund bear to
12 the total number of years of service that he could have achieved had
13 he continued to age 60 or such necessary age that would have
14 permitted him to qualify for the pension of one-half of the salary he
15 was receiving at the time he elected the deferred pension.

16 (c) Upon and after the death of such pensioner, the benefits
17 provided by section 18 (C.43:13-22.20) shall be payable to his eligible
18 survivors if they qualify under said section.

19 (cf: P.L.1979, c.281, s.7)

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21 4. Section 18 of P.L.1954, c.218 (C.43:13-22.20) is amended to
22 read as follows:

23 18. Subject to the other provisions of this act, upon and after the
24 death of such employee member or pensioner member, said retirement
25 pension shall be paid to the surviving widow or widower, so long as
26 he or she remains unmarried; minor children or dependent parents, as
27 the case may be[; provided, however, that in no instance shall a
28 pension payment to such widow or widower, minor children or
29 dependent parent exceed \$3,000.00 per annum]. In the event of the
30 death of a pensioner member, such payments shall not exceed the
31 amount received by the decedent pensioner.

32 (cf: P.L.1979, c.281, s.8)

33

34 5. Section 19 of P.L.1954, c.218 (C.43:13-22.21) is amended to
35 read as follows:

36 19. Subject to the other provisions of this act, any member
37 employee who shall have served or who shall hereafter have served in
38 the employ of such city continuously for a period of 5 years and shall
39 become permanently and totally disabled as the result of injury or
40 illness not arising out of and in the course of his employment, shall,
41 upon his application and approval thereof by the commissioners be
42 retired on a pension equal to 2 1/2 % of the salary received by him at
43 the time of his retirement; and for each additional year of aggregate
44 service, but not more than 20 years of service in the aggregate, the
45 amount of said pension shall be increased to the extent of 2 1/2 % of
46 said salary for each year, not exceeding in any event 50% of said

1 salary; provided, however, that for each year of service over 30 years
2 there shall be an increase of disability pension of 2 1/2 % of the salary
3 received by the employee at the time of said retirement; provided
4 further, however, that no such pension, regardless of service or
5 disability, shall exceed three-quarters of the annual salary of said
6 employee at the time of retirement[; nor shall any such pension be in
7 excess of \$12,000.00 per annum]. Upon and after the death of such
8 retired member or upon and after the death of any member who died
9 as a result of injury or illness not arising out of and in the course of his
10 employment, the said pension or a pension based upon the services of
11 said member as the case may be, shall be paid to the surviving widow
12 or widower, so long as he or she remains unmarried, minor children or
13 dependent parent, as the case may be[; provided, however, that in no
14 instance shall said pension exceed the sum of \$3,000.00 per annum].
15 (cf: P.L.1979, c.281, s.9)

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17 6. Section 20 of P.L.1954, c.218 (C.43:13-22.22) is amended to
18 read as follows:

19 20. Subject to the other provisions of this act, any city employee
20 who shall become permanently or totally disabled as a result of injury
21 or illness arising out of and in the course of his employment shall,
22 upon his application and approval thereof by the commission, be
23 retired on a pension equal to one-half of the annual salary received by
24 him at the time of his retirement; provided, however, that [in no
25 instance shall the pension exceed \$12,000.00 per annum; and provided
26 further, however, that] where an employee has served more than 30
27 years he shall be entitled to 2 1/2 % of his annual salary for each
28 additional year of service over 30 years, but not exceeding 40 years[,
29 and in no event shall such pension exceed \$12,000.00 annually]. Upon
30 and after the death of such retired member or upon and after the death
31 of any member who dies as a result of any injury or illness arising out
32 of and in the course of his employment, the said pension or a pension
33 of one-half of the said annual salary of such member shall be paid as
34 hereinafter provided to the surviving widow or widower, so long as
35 he or she remains unmarried; minor children or dependent parent, as
36 the case may be[; provided, however, that in no instance shall the
37 pension exceed \$3,000.00 per annum].

38 (cf: P.L.1979, c.281, s.10)

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40 7. Section 23 of P.L.1954, c.218 (C.43:13-22.25) is amended to
41 read as follows:

42 23. Subject to the other provisions of this act, upon the death of
43 any employee member who shall have served or who shall hereafter
44 have served in the employ of the city continuously for a period of at
45 least 5 years, there shall be paid to the surviving widow or widower,
46 so long as he or she remains unmarried; minor children or dependent

1 parent, as the case may be, an amount equal to 2 1/2 % of the salary
2 received by such employee at the time of his death and 2 1/2 % of said
3 yearly salary for each additional year of service more than 1 year, but
4 not exceeding in any event 50% of said salary received at the time of
5 death[, and in no instance shall such pension exceed \$3,000.00];
6 provided, however, that wherever the provisions of any of the three
7 pension funds which have been merged into the fund, provide for
8 greater benefits for the present members thereof, their widows,
9 widowers, minor children or dependent parent, then and in that event
10 the said widow, widower, minor children or dependent parent shall be
11 entitled to said greater benefits as therein provided; and provided,
12 further, that after 5 years' membership in the retirement system, the
13 pension payment to widow or widower shall not be less than
14 \$1,000.00. In the event of the death of a pensioner member the
15 amount of pension payment paid his or her widow or widower shall
16 not exceed the amount of the pension payments he or she received at
17 the time of his or her death [and in no event in excess of \$3,000.00
18 annually].

19 (cf: P.L.1979, c.281, s.11)

20

21 8. Section 24 of P.L.1954, c.218 (C.43:13-22.26) is amended to
22 read as follows:

23 24. Subject to the other provisions of this act, upon and after the
24 death of any employee member, pensioner member, or beneficiary, the
25 benefits herein provided for the surviving widow or widower, minor
26 children, including adopted children, and dependent parent shall be
27 paid in the following manner of priority:

28 (1) To the surviving widow or widower, until he or she remarries;

29 (2) If no widow or widower, or upon the death of such widow or
30 widower, then the pension shall be paid to the guardian of the minor
31 children, for the exclusive use of said children[, in the following
32 amounts, \$80.00 per month for each minor child, provided further that
33 in no event shall the funds paid to minor children exceed in the
34 aggregate the sum of \$3,000.00 annually].

35 (3) In the event there be no surviving widow, widower, or minor
36 children, then the pension shall be paid to the dependent parent or
37 parents in equal shares.

38 (cf: P.L.1979, c.281, s.12)

39

40 9. This act shall take effect ¹[immediately] upon the filing with the
41 office of the Secretary of State of a copy of an ordinance of the
42 governing body of the city adopting the provisions hereof¹.

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3 Increases pension benefits for certain retirees in certain municipal
4 retirement systems.