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[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

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 increasing the salary or compensation ceiling to \$16,000.00, and he
2 did not pay into the system all sums that he would have contributed on
3 his full salary he shall not be eligible for the benefits permitted by the
4 increased ceiling unless he pays into the system all said sums he would
5 have paid had he not failed to contribute continuously. Application for
6 the exercise of such option shall be made to the commission within 6
7 months next succeeding the effective date of this amendatory act.

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

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

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

18 "State" shall, unless otherwise stated, mean the State of New
19 Jersey.

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

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

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

44 Notwithstanding the provisions of chapter 1, Title 43 of the Revised
45 Statutes, any present employee of the city as herein defined, who was
46 not more than 45 years of age at the time of his permanent

1 appointment, shall, subject to the provisions of section 13 of this act,
2 have the right, subject to section 13(b) of this act, to become a
3 member of the retirement system established by this act, by declaring
4 his intention in writing so to do, within 2 months after the formation
5 of the commission created by this act.

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

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

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

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

1 "Commission" shall mean pension commission.

2 "Commissioners" shall mean pension commissioners, unless
3 otherwise specified.

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

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

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

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

16

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

19 17. Subject to the other provisions of this act, any employee
20 member who shall have served or who shall hereafter have served in
21 the employ of such city in the aggregate for a period of 30 years and
22 who shall have attained the age of 55 years, or who shall have served
23 in the aggregate for a period of 25 years and who have or have not
24 attained the age of 60 years, shall, upon his application, be retired on
25 a pension equal to [one-half] ¹[62%] one-half¹ of the salary he is
26 receiving at the time of his retirement, and for each year of service
27 beyond 30 years and up to [40] ¹[35] 40¹ years the retiring employee
28 shall, for each additional year, receive an additional pension of 2 1/2%
29 of the salary received by him at the time of his retirement; provided,
30 however, that the pension shall be reduced by 1/4 of 1% for each
31 month that the member lacks of being age 55, and that no pension shall
32 exceed three-quarters of the annual salary received by the said
33 employee member[, nor shall any pension exceed the sum of
34 \$12,000.00 per annum].

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

36

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

39 6. (a) Should an employee member, after having completed at least
40 25 years of service for credit has been established in the pension fund,
41 be separated voluntarily or involuntarily from the service, and not by
42 removal for cause on charges of misconduct or delinquency, after
43 reaching age 55, he may elect to receive the payments provided for in
44 section 17 (C.43:13-22.19), if he so qualifies under said section, or the
45 benefit provided by subsection (b) of this section, or a pension
46 beginning at the time he would otherwise be normally entitled to

1 receive it but for his separation from service, in the amount of
2 ~~[one-half]~~ ¹~~[62%]~~ one-half¹ of the salary he was receiving at the time
3 of separation, provided however that such pension shall be reduced in
4 accordance with a table of proportionate actuarial equivalents
5 recommended by the actuary and adopted by the commission reflecting
6 all months that a member lacks of having 30 years' service.

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

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

22 (cf: P.L.1979, c.281, s.7)]¹

23

24 ¹[4.] 3.¹ Section 18 of P.L.1954, c.218 (C.43:13-22.20) is
25 amended to read as follows:

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

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

36

37 ¹[5.] 4.¹ Section 19 of P.L.1954, c.218 (C.43:13-22.21) is
38 amended to read as follows:

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

1 service, but not more than 20 years of service in the aggregate, the
2 amount of said pension shall be increased to the extent of 2 1/2 % of
3 said salary for each year, not exceeding in any event 50% of said
4 salary; provided, however, that for each year of service over 30 years
5 there shall be an increase of disability pension of 2 1/2 % of the salary
6 received by the employee at the time of said retirement; provided
7 further, however, that no such pension, regardless of service or
8 disability, shall exceed three-quarters of the annual salary of said
9 employee at the time of retirement[; nor shall any such pension be in
10 excess of \$12,000.00 per annum]. Upon and after the death of such
11 retired member or upon and after the death of any member who died
12 as a result of injury or illness not arising out of and in the course of his
13 employment, the said pension or a pension based upon the services of
14 said member as the case may be, shall be paid to the surviving widow
15 or widower, so long as he or she remains unmarried, minor children or
16 dependent parent, as the case may be[; provided, however, that in no
17 instance shall said pension exceed the sum of \$3,000.00 per annum].
18 (cf: P.L.1979, c.281, s.9)

19

20 ¹[6.] 5¹ Section 20 of P.L.1954, c.218 (C.43:13-22.22) is
21 amended to read as follows:

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

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

42

43 ¹[7.] 6¹ Section 23 of P.L.1954, c.218 (C.43:13-22.25) is
44 amended to read as follows:

45 23. Subject to the other provisions of this act, upon the death of
46 any employee member who shall have served or who shall hereafter

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

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

23

24 ¹[8.] 7¹ Section 24 of P.L.1954, c.218 (C.43:13-22.26) is
25 amended to read as follows:

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

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

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

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

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

42

43 ¹[9.] 8¹ This act shall take effect ¹[immediately] upon the filing
44 with the office of the Secretary of State of a copy of an ordinance of
45 the governing body of the city adopting the provisions hereof¹.

1

2

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