

[Passed Both Houses]

ASSEMBLY, No. 2361

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 19, 1996

**By Assemblymen COHEN, BATEMAN,
Senators Adler and Inverso**

1 **AN ACT** concerning additional death benefit coverage for members of
2 the Judicial Retirement System and supplementing P.L.1973, c.140
3 (C.43:6A-1 et seq.).
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5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*
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8 1. a. Each member of the retirement system on the effective date
9 of P.L. , c. (C.) (now pending before the Legislature as
10 this bill) and each person who thereafter becomes a member will be
11 eligible to purchase the additional death benefit coverage hereinafter
12 described, provided the member selects such coverage within one year
13 after that effective date or after the effective date of membership,
14 whichever date is later.

15 b. A person becoming a member of the retirement system after the
16 effective date of P.L. , c. (C.) (now pending before the
17 Legislature as this bill) who on the date of becoming a member is less
18 than 60 years of age shall automatically be covered for such additional
19 death benefit coverage from the first day of membership on which the
20 person is actively at work and performing all regular duties at the
21 customary place of employment. Such automatic coverage shall
22 continue during the member's first year of membership, and during that
23 year the member shall make contributions as fixed by the retirement
24 system. Additional death benefit coverage for the member shall
25 continue in effect after the first year of membership on the continuance
26 of payment of the required contributions therefor.

27 c. A person becoming a member of the retirement system after the
28 effective date of P.L. , c. (C.) (now pending before the
29 Legislature as this bill) who on the date of becoming a member is 60
30 or more years of age may, within one year from the date of
31 membership, elect to purchase such additional death benefit coverage,
32 provided that the member furnishes satisfactory evidence of
33 insurability and on the date of such election is actively at work and

- 1 performing all regular duties at the customary place of employment.
- 2 d. Notwithstanding other provisions of this section relating to the
3 amount of death benefit applicable to a member who has acquired or
4 shall acquire additional death benefit coverage, the death benefit
5 payable in the event of death occurring on or after the effective date
6 of P.L. , c. (C.) (now pending before the Legislature as
7 this bill) and during the first year of membership shall be based upon
8 the member's annual base salary. The effective date of coverage of any
9 person electing to purchase additional death benefit coverage pursuant
10 to the provisions of subsections a. or c. of this section shall be the first
11 day of the month immediately following the date of such election
12 unless evidence of insurability is required as a condition of such
13 election in which event the effective date of coverage shall be the first
14 day of the month which immediately follows the later of (1) the date
15 of such election, or (2) the date such evidence is determined to be
16 satisfactory.
- 17 e. The State House Commission shall establish schedules of
18 contributions to be made by the members who elect to purchase the
19 additional death benefit coverage. Such contributions shall be so
20 computed that the contributions made by or on behalf of all covered
21 members in the aggregate shall be sufficient to provide for the cost of
22 the benefits provided under this section. Such schedules of
23 contributions shall be subject to adjustment from time to time by the
24 commission, as the need may appear.
- 25 f. Upon the receipt of proper proofs of the death in service of any
26 such member while covered for the additional death benefit coverage
27 there shall be paid to such person, if living, as the member shall have
28 nominated by written designation duly executed and filed with the
29 retirement system, otherwise to the executor or administrator of the
30 member's estate, an amount equal to one and one-half times the
31 compensation received by the member in the last year of creditable
32 service or some lesser amount as may be provided by the retirement
33 system and elected to purchase by the member.
- 34 g. The contributions of a member for the additional death benefit
35 coverage shall be deducted from the member's compensation, but if
36 there is no compensation from which such contributions may be
37 deducted it shall be the obligation of the member to make such
38 contributions directly to the retirement system or as directed by the
39 State House Commission.
- 40 h. Any other provision of P.L.1973, c.140 (C.43:6A-1 et seq.)
41 notwithstanding, the contributions of a member for the additional
42 death benefit coverage under this section shall not be returnable to the
43 member or the member's beneficiary in any manner, or for any reason
44 whatsoever, nor shall any contributions made for the additional death
45 benefit coverage be included in any annuity payable to any such
46 member or beneficiary.

1 i. A member who has elected to purchase the additional death
2 benefit coverage provided by this section may file with the retirement
3 system, and alter from time to time during the member's lifetime as
4 desired, a duly attested nomination of the payee of the death benefit
5 provided under this section. Such member may also file with the
6 retirement system, and alter from time to time during the member's
7 lifetime as desired, a request directing payment of said benefit in one
8 sum or in equal annual installments over a period of years or as a life
9 annuity. Any such nomination or request shall be made in writing on
10 a form satisfactory to the retirement system and shall be effective upon
11 receipt by the retirement system. Upon the death of such member, a
12 beneficiary to whom a benefit is payable in one sum may elect to
13 receive the amount payable in equal annual installments over a period
14 of years or as a life annuity. If more than one beneficiary is nominated
15 and the member has not specified their respective interests, the
16 beneficiaries shall share equally. If any beneficiary predeceases the
17 member, the interest of that beneficiary shall terminate and shall be
18 shared equally by such of the beneficiaries as survive the member
19 unless the member has made written request to the contrary in the
20 beneficiary nomination. Any amounts due for which there is no
21 beneficiary at the death of the member or beneficiary shall be payable
22 to the estate of the member or beneficiary.

23 j. All other provisions of this section notwithstanding, this section
24 and the benefits provided under this section shall not come into effect
25 until a required percentage of the members shall have applied for the
26 additional death benefit coverage under this section. This required
27 percentage shall be fixed by the State House Commission.
28 Applications for such additional death benefit coverage shall be
29 submitted to the secretary of the commission in such manner and upon
30 such forms as the commission shall provide.

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32 2. This act shall take effect immediately.

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STATEMENT

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36 This bill provides optional contributory insurance coverage to any
37 member of the Judicial Retirement System for a death benefit in an
38 amount equal to one and one-half times the member's compensation in
39 the final year of service. The terms of the coverage are similar to
40 those applicable to the optional contributory death benefit coverage
41 available to members of the Public Employees' Retirement System.

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45 Provides for optional contributory death benefit coverage for members
46 of JRS.