

ASSEMBLY, No. 2759

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 27, 1997

By Assemblymen BLEE, DALTON, LeFevre, R.Smith,  
Assemblywoman Turner, Assemblymen Roberts, Zisa and  
Assemblywoman Weinberg

1 AN ACT concerning annuities for volunteer firefighters and amending  
2 N.J.S.40A:10-30 and N.J.S.40A:14-38.

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

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7 1. N.J.S.40A:10-30 is amended to read as follows:

8 40A:10-30. In addition to the insurance required pursuant to the  
9 provisions of chapter 15 of Title 34 of the Revised Statutes and the  
10 coverage provided in N.J.S.40A:10-29, a municipality maintaining a  
11 volunteer fire department or in which there are one or more  
12 incorporated volunteer fire companies may:

13 a. Effect and maintain group accidental death and dismemberment,  
14 hospitalization, medical, surgical, major medical expenses, or health  
15 and accident insurance with any insurance company authorized to do  
16 business in New Jersey, or with a nonprofit hospital service or medical  
17 service corporation with respect to the benefits which they are  
18 authorized to provide, which is determined to be necessary or  
19 desirable for the protection, safety and welfare of the members of the  
20 volunteer fire department or the members of the incorporated  
21 volunteer fire companies;

22 b. (1) Effect and maintain a contract or contracts to provide drug  
23 prescription or other health care benefits which is determined to be  
24 necessary or desirable for the protection, safety and welfare of the  
25 members of the volunteer fire department or members of an  
26 incorporated volunteer fire company;

27 (2) Enter into a contract or contracts with an insurance company  
28 authorized to do business in this State to provide members of the  
29 volunteer fire department or members of an incorporated volunteer fire  
30 company, on a group or individual basis, individual retirement  
31 annuities as defined by section 408(b) of the Federal Internal Revenue  
32 Code of 1954 as amended (26 U.S.C.§408(b)). The contract or

**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 contracts shall provide for coverage under these annuities of such  
2 volunteers and may provide for the establishment of annuities on  
3 behalf of the spouses of the volunteers.

4 c. In the discretion of the governing body of the municipality,  
5 appropriate and pay all or any portion of the costs of such insurance  
6 or contract or both.

7 (cf: P.L.1979, c.230, s.1)

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9 2. N.J.S.40A:14-38 is amended to read as follows:

10 40A:14-38. In any fire district in this State maintaining a volunteer  
11 fire department, or wherein there shall exist one or more incorporated  
12 volunteer fire companies affording fire protection to said fire district,  
13 it shall be lawful for the board of commissioners of such fire district,  
14 in addition to the insurance provided in N.J.S.40A:14-37, to effect,  
15 maintain and continue any and all forms of insurance covering the  
16 members of said volunteer fire department or incorporated volunteer  
17 fire company or companies, including group accidental death and  
18 dismemberment, hospitalization, medical, surgical, major medical  
19 expenses, or health and accident insurance with any insurance  
20 company authorized to do business in New Jersey, or with a nonprofit  
21 hospital service or medical service corporation with respect to the  
22 benefits which they are authorized to provide, a contract or contracts  
23 to provide drug prescription or other health care benefits, which the  
24 board of fire commissioners may determine to be necessary or  
25 desirable for the protection, safety and welfare of the members, and  
26 for the protection and safety of the equipment and apparatus of said  
27 volunteer fire department, or incorporated volunteer fire company or  
28 companies, or for the protection of said fire district, or against liability  
29 for its negligence and that of its officers, employees or servants,  
30 whether or not compensated or part-time, who is authorized to  
31 perform any act or service, but not including an independent  
32 contractor within the limitations of the "New Jersey Tort Claims Act"  
33 (C.59:1-1, et seq.)]. The board of commissioners of the fire district  
34 may also enter into a contract or contracts with an insurance company  
35 authorized to do business in this State to provide members of the  
36 volunteer fire department or incorporated volunteer fire company or  
37 companies, on a group or individual basis, individual retirement  
38 annuities as defined by section 408(b) of the Federal Internal Revenue  
39 Code of 1954 as amended (26 U.S.C.§408(b)). The contract or  
40 contracts shall provide for coverage under these annuities of such  
41 members and may provide for the establishment of annuities on behalf  
42 of their spouses. [and by] By resolution, [to] the board of  
43 commissioners may appropriate from time to time, and pay, such sums  
44 of money as may be required to cover the premiums and costs of said  
45 insurance, including individual retirement annuities, or such portion of  
46 the same as said board of fire commissioners, in its discretion, may

1 consider proper and advisable.

2 (cf: P.L.1979, c.230, s.3)

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4 3. This act shall take effect immediately.

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STATEMENT

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9 This bill would clarify the right of municipalities and fire districts  
10 that maintain volunteer fire departments, or in which there are one or  
11 more incorporated volunteer fire companies, to offer volunteer  
12 firefighters and their spouses insurance annuity policies. Such annuity  
13 policies could be provided on a group or individual basis with  
14 insurance firms authorized to do business in New Jersey.

15 This bill is prompted by an Attorney General Opinion issued in  
16 November of 1996 to the Department of Community Affairs. Under  
17 the Attorney General's interpretation of current law, municipalities  
18 and fire districts are not authorized to purchase annuity contracts for  
19 the benefit of volunteer firefighters if the contracts provide for the  
20 payment of annuity benefits to individuals in any event other than their  
21 total permanent disability. However, the loss of the use of such  
22 incentives will detract from the ability of communities to recruit and  
23 retain volunteer firefighters.

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28 Permits municipalities and fire districts to provide individual retirement  
29 annuities to volunteer firefighters.