

CHAPTER 101

AN ACT concerning any employees' retirement system established in a city of the first class having a population of less than 300,000 inhabitants, amending P.L.1964, c.275, P.L.1967, c.222 and P.L.1990, c.20.

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

1. Section 4 of P.L.1964, c.275 (C.43:13-22.53) is amended to read as follows:

C.43:13-22.53 Retirement for age and service after age 60.

4. (a) Any member who shall have established 20 or more years of creditable service in the retirement system and who shall have attained the age of 60 years shall, upon application by that member to the commission, be retired on a pension equal to 55% of final salary, plus 1% of such salary for each year of creditable service in excess of 20 years, if the member has more than 20 years of creditable service at retirement.

In no event shall the amount of any pension payable pursuant to the provisions of this subsection be less than \$3,600 per annum.

(b) (Deleted by amendment, P.L.1990, c.20)

(c) Any member who upon attainment of 60 or more years of age shall have established less than 20 years of creditable service in the retirement system may retire on a pension equal to 2% of final salary for each year of creditable service. In no event shall the amount of any pension payable pursuant to the provisions of this subsection be less than \$3,600 per annum.

2. Section 1 of P.L.1967, c.222 (C.43:13-22.54a) is amended to read as follows:

C.43:13-22.54a Retirement for service prior to age 60; survivors' benefits.

1. (a) A member who resigns after having completed 25 years of service for which credit has been established in the pension fund and before reaching age 60 may elect to receive, in lieu of the payment provided in section 4 of P.L.1964, c.275 (C.43:13-22.53), or the benefit provided by subsection (b) of this section, a pension in the amount of 55% of final salary, plus 1% for each year of service in excess of 20 years; provided, however, that such pension shall be reduced by 2/12 of 1% for each month that the member lacks of being age 60; but if the member waits until age 60 to start collecting benefits, there shall be no reduction in benefits, and in no event shall the amount of any pension payable pursuant to the provisions of this subsection be less than \$3,600 per annum.

Upon and after the death of such pensioner, the benefits provided by section 7 of P.L.1964, c.275 (C.43:13-22.56) shall be payable to any eligible survivors.

(b) A member who, after having completed 10 years of service for which credit has been established in the pension fund, becomes separated voluntarily or involuntarily from the service before reaching age 60 may elect to receive, in lieu of the benefit provided by subsection (a) of this section, a deferred pension beginning at age 60, in an amount equal to the proportional relation which the years of the member's service credited in the fund bear to the total number of years of service that the member could have achieved by continuing in service to age 60, multiplied by 1/2 of the member's final salary calculated as of the time that the member elected the deferred pension; but in no event shall the amount of any deferred pension payable pursuant to the provisions of this subsection be less than \$3,600 per annum.

Upon and after the death of such pensioner, the benefits provided by section 7 of P.L.1964, c.275 (C.43:13-22.56) shall be payable to any eligible survivors.

3. Section 7 of P.L.1964, c.275 (C.43:13-22.56) is amended to read as follows:

C.43:13-22.56 Death benefits.

7. Death benefits.

(a) Upon the death of a member in service who shall have paid into the fund the full amount of contributions due and who shall die as a result of injuries or illness received or incurred in the performance of that member's regular or assigned duties or who shall have served in the employ of the city for 20 or more years, a pension of 50% of the member's final salary shall be paid to the surviving widow, so long as she remains unmarried, or surviving widower, so long as he remains unmarried; if there is no surviving widow or widower or in case the widow or widower

dies or remarries, a pension of 20% of such final salary shall be paid to one surviving child, 35% of such final salary shall be paid to two surviving children in equal shares, and if there be three or more children, 50% of such final salary shall be paid to such children in equal shares; and if there is no surviving widow, widower or child, a pension of 25% of such final salary shall be paid to one surviving dependent parent or a pension of 40% of such final salary shall be paid to two surviving dependent parents in equal shares.

(b) Upon the death of a member in service who shall have paid into the fund the full amount of contributions due and who shall die for causes other than injuries or illness received or incurred in the performance of that member's regular or assigned duties and who shall have served in the employ of the city for five or more years but less than 20 years, a pension in an amount equal to 50% of the member's final salary shall be paid to the surviving widow, so long as she remains unmarried, or surviving widower, so long as he remains unmarried; if there is no surviving widow or widower or in case the widow or widower dies or remarries, a pension of 20% of such final salary shall be paid to one surviving child, 35% of such final salary shall be paid to two surviving children in equal shares, and if there be three or more children, 50% of such final salary shall be paid to such children in equal shares; and if there is no surviving widow, widower or child, a pension of 25% of such final salary shall be paid to one surviving dependent parent or a pension of 40% of such final salary shall be paid to two surviving dependent parents in equal shares.

(c) Upon the death of a pensioner from the retirement system who has retired for age and service under the provisions of section 4 of P.L.1964, c.275 (C.43:13-22.53), or who has retired under the provisions of either subsection (a) or subsection (b) of section 1 of P.L.1967, c.222 (C.43:13-22.54a), or who has retired because of a disability under the provisions of section 6 of P.L.1964, c.275 (C.43:13-22.55), a pension equal to 50% of the amount of the pension, including any adjustment thereto under sections 7 through 13 of P.L.1990, c.20 (C.43:13-22.69 to 43:13-22.75), payable to the decedent at the time of death shall be paid to the surviving widow, so long as she remains unmarried, or surviving widower, so long as he remains unmarried; if there is no surviving widow or widower or in case the widow or widower dies or remarries, such pension shall be paid to one surviving child or to two or more surviving children in equal shares; and if there is no surviving widow, widower or child, such pension shall be paid to one surviving dependent parent of the retirant or to both surviving dependent parents in equal shares.

(d) (1) In the event a pension shall be payable as a result of the death of a member in service and there are no eligible survivors at the time of such member's death, an amount equal to such member's contributions to the fund, without interest, shall be paid to the member's estate. If, after the payment of all pension and survivorship benefits payable by the retirement system to any eligible survivors of a deceased member or retirant, the total amount of those benefits, including adjustments under sections 7 through 13 of P.L.1990, c.20 (C.43:13-22.69 to 43:13-22.75), together with the total amount of any retirement allowance or pension benefits, including adjustments, which shall have been paid to the decedent during retirement, is less than the amount of the decedent's contributions during membership in the retirement system, the amount of the difference, without interest, shall be payable to the deceased member or retirant's estate.

(2) If at the time of the death of a member in service the sole eligible survivors of such member are minor children and the total of the aggregate payments on account of such children shall be an amount which is less than such member's contributions to the fund, without interest, the balance of such amount shall be payable to the guardian of such minor children.

4. Section 11 of P.L.1990, c.20 (C.43:13-22.73) is amended to read as follows:

C.43:13-22.73 Calculation of pension adjustment.

11. On or before October 1, 1996 and by the same date in each subsequent year, the Director of the Division of Pensions of the Department of the Treasury shall review the index and determine the percentum of change in the index from the retirement year index pursuant to the provisions of the "Pension Adjustment Act," P.L.1969, c.169 (C.43:3B-1 et seq.). The percentage of adjustment in the retirement allowances, pensions and survivorship benefits shall

be $\frac{3}{5}$ of the percentum of change. Any adjustment so calculated shall apply to all of the months of the following calendar year for eligible retirants and beneficiaries, except that for those qualifying for the first time, it shall apply only to those months of the following calendar year in which the retirant or beneficiary is eligible to receive the adjustment.

On the basis of information certified to the director by the retirement system concerning the amounts of all retirement allowances, pensions and survivorship benefits of eligible retirants and beneficiaries which are subject to adjustment under sections 7 through 13 of P.L.1990, c.20 (C.43:13-22.69 through 22.75), and any other relevant matters as the director may require, the director shall certify to the retirement system the amounts required to fund the benefits provided under those sections for the applicable year. The director shall include in that certification amounts sufficient to adjust the retirement allowances, pensions or survivorship benefits payable to all eligible retirants and beneficiaries by $\frac{3}{5}$ of the percentum of change in the index as such retirement allowances or pensions may have been originally granted, or increased for certain retirants and beneficiaries in accordance with the provisions of the "Pension Adjustment Act."

In no instance shall the amount of the retirement allowance, pension or survivorship benefit originally granted and payable to any retirant or beneficiary be reduced as a result of this adjustment.

5. This act shall take effect immediately.

Revises employees' retirement system established in city of the first class with population less
Approved August 19, 1996.