

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint] **SENATE, No. 129**

with Senate committee amendments

STATE OF NEW JERSEY

DATED: MAY 2, 1996

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 129 (1R) with committee amendments.

Senate Bill No. 129 (1R), as amended, shortens the length of time that the surviving spouse of a retireant from the Police and Firemen's Retirement System (PFRS) must have been married to the retireant in order for the spouse to qualify for a widow or widower's pension under the retirement system.

The PFRS statute provides that upon the death after retirement of a member, the retireant's widow or widower will receive a pension of 50% of average compensation for the three years of creditable service preceding retirement or any three fiscal years providing the largest possible benefit.

Under current law, "widow" and "widower" means the woman or the man, respectively, to whom a PFRS retireant was married at least two years and to whom the retireant continued to be married until death and who has not remarried. This bill changes the two-year period to one year.

In addition, the bill eliminates a requirement, applicable to widowers but not to widows, that to be eligible for a pension, the survivor must have been receiving at least one-half of his support from the decedent in the year preceding her death.

Under current law, the marriage duration requirement is waived for the widow or widower of a member who dies in the actual performance of duty. The surviving spouse is entitled to a pension benefit of 70% of the member's compensation during the last year of service.

This bill, upon enactment, will be retroactive to January 1, 1995.

Last session, the Pension and Health Benefits Review Commission reviewed an identical bill and recommended shortening the marriage duration requirement to one year rather than 18-months, eliminating the different treatment of widows and widowers, and providing for uniform marriage duration requirements among all the retirement

systems.

As amended and reported, this bill is identical to Assembly Bill No. 1252 of 1996 (Azzolina/J Smith).

COMMITTEE AMENDMENT

The committee amended the bill, with the approval of the sponsor, to shorten the marriage requirement from 18 months to one year and eliminate a requirement applicable to widowers but not to widows that the survivor must have been receiving at least one-half of his support from the decedent in the year preceding her death to be eligible for a pension.

These amendments make this bill identical to Assembly Bill No. 1252 of 1996.

FISCAL IMPACT

The Office of Legislative Services (OLS) notes that it cannot estimate the additional liability of this legislation to PFRS because there is no information on the number of members who die after one year but before 24 months of marriage. The OLS believes that such situations will be rare.