

LEGISLATIVE FISCAL ESTIMATE TO

SENATE, No. 644

STATE OF NEW JERSEY

DATED: NOVEMBER 21, 1996

Senate Bill No. 644 of 1996 revises the lump sum death benefit payable to the surviving beneficiary of a retired member of the Judicial Retirement System (JRS) who dies while engaged in temporary service within the judicial system to which the retirant shall have been recalled by the Supreme Court.

Under present law, the amount of the lump sum death benefit payable upon the death of a retired JRS member (other than certain disability retirants) is equal to one-fourth of the retired member's final salary. Under this bill, if the death occurs while the retirant is engaged in temporary service as a recalled justice or judge, the amount of the benefit would be increased to one and one-half times that final salary, the same as the amount payable upon the death of a JRS member who dies in active service.

The Office of Legislative Services (OLS) believes that there are very few instances of retired members of the JRS being recalled to temporary duty by the Supreme Court. The OLS notes that according to the most recent actuarial valuation of the retirement system, only three, out of 396, active members and seven, out of 212, retirees died during the past year.

The OLS notes according to the valuation, the average salary for members of the JRS is \$101,114. Based on this information, the cost of providing the current lump sum death benefit of one-fourth the member's final salary is \$25,279. The cost of providing a lump sum benefit of one and one-half times final salary would be \$151,671, or \$126,392 more than the benefit provided under current law.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.