

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 687

STATE OF NEW JERSEY

DATED: JUNE 5, 1997

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 687.

Senate Bill No. 687 provides an accidental death benefit of an amount equal to one and one-half times annual compensation at the time of death to the widow or widower of a county government employee who died in the line of duty and who (1) was previously enrolled as a member of the Public Employees' Retirement System (PERS) for a period of at least 10 months; (2) was separated involuntarily from service in a PERS-covered permanent position with a county government employer due to a lay-off and withdrew from PERS; (3) within four weeks, was reemployed by the same county government employer in a temporary position but was ineligible for PERS reenrollment until accumulation of 12 months of continuous service in that temporary position; and (4) within less than one year of the date of that reemployment, died as a result of an accident met in the actual performance of duty.

The bill also provides that such widow or widower will be entitled to an additional death coverage benefit of an amount equal to one and one-half times annual compensation at the time of death if, during the PERS enrollment, the spouse elected to purchase the additional death benefit coverage available to PERS members and if the widow or widower pays the required employee contributions therefor.

This act will take effect immediately and expire one year thereafter.

At its May 17, 1996 meeting, the Pension and Health Benefits Review Commission recommended that the Legislature enact this bill because "it involves unique circumstances that could not have been anticipated and are not adequately covered by existing pension provisions."

As reported, this bill is identical to Assembly Bill No. 1510 (Bucco/Murphy).

FISCAL IMPACT:

In a legislative fiscal estimate prepared by the Office of Legislative Services (OLS), the OLS notes that there is currently no information available to indicate the number of individuals who might be affected

by this legislation but believes that only one individual will be affected. The cost of this legislation, if the former member's beneficiary is eligible for a non-contributory life insurance benefit, would be 1 1/2 times the member's annual salary. The beneficiary may also be eligible for contributory life insurance at an additional 1 1/2 times the member's annual salary.