

**SENATE, No. 845**

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**STATE OF NEW JERSEY**

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INTRODUCED FEBRUARY 26, 1996

**By Senators CONNORS and BUBBA**

1   **AN ACT** increasing the minimum amount of the ordinary disability  
2   retirement allowance under the Police and Firemen's Retirement  
3   System of New Jersey, amending P.L.1944, c.255 and  
4   supplementing P.L.1958, c.143 (C.43:3B-1 et seq.)  
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6   **BE IT ENACTED** by the Senate and General Assembly of the State  
7   of New Jersey:

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9   1. Section 6 of P.L.1944, c.255 (C.43:16A-6) is amended to read  
10 as follows:

11   6. (1) Upon the written application by a member in service, by one  
12 acting in his behalf or by his employer, any member, under 55 years of  
13 age, who has had five or more years of creditable service may be  
14 retired on an ordinary disability retirement allowance; provided, that  
15 the medical board, after a medical examination of such member, shall  
16 certify that such member is mentally or physically incapacitated for the  
17 performance of his usual duty and of any other available duty in the  
18 department which his employer is willing to assign to him and that  
19 such incapacity is likely to be permanent and to such an extent that he  
20 should be retired.

21   (2) Upon retirement for ordinary disability, a member shall receive  
22 an ordinary disability retirement allowance which shall consist of:

23   (a) An annuity which shall be the actuarial equivalent of his  
24 aggregate contributions and

25   (b) A pension in the amount which, when added to the member's  
26 annuity, will provide a total retirement allowance of 1 1/2 % of  
27 average final compensation multiplied by his number of years of  
28 creditable service but in no event shall the total allowance be less than  
29 [40%]50% of the member's average final compensation.

30   (3) Upon the receipt of proper proofs of the death of a member  
31 who has retired on an ordinary disability retirement allowance, there  
32 shall be paid to such member's beneficiary, an amount equal to 3 1/2  
33 times the compensation upon which contributions by the member to  
34 the annuity savings fund were based in the last year of creditable

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

Matter underlined **thus** is new matter.

1 service; provided, however, that if such death shall occur after the  
2 member shall have attained 55 years of age the amount payable shall  
3 equal 1/2 of such compensation instead of 3 1/2 times such  
4 compensation.

5 (cf: P.L.1989, c.204, s.2)

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7 2. (New section) The provisions of section 7 of P.L.1969, c.169  
8 (C.43:3B-8) shall not apply to section 6 of P.L.1944, c.255  
9 (C.43:16A-6) as amended by P.L. , c. (C. ) (now pending  
10 before the Legislature as this bill), and the annual cost of living  
11 adjustment received by retirants and beneficiaries under P.L.1958,  
12 c.143 (C.43:3B-1 et seq.) shall be calculated as of the date of the  
13 benefit year of the member of the retirement system.

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15 3. This act shall take effect immediately, and the increase in  
16 benefits provided under this act shall be applicable to the amount of  
17 any retirement allowance payable under subsection (2) of section 6 of  
18 P.L.1944, c.255 (C.43:16A-6) on or after the first day of the month  
19 next following that effective date.

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## 22 STATEMENT

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24 This bill increases the minimum amount of the ordinary disability  
25 retirement allowance under the Police and Firemen's Retirement  
26 System (PFRS) from 40% to 50% of the retirant's average final  
27 compensation. The purpose of the legislation is to establish parity of  
28 benefits in PFRS between ordinary disability retirants and surviving  
29 spouses; the benefit payable to the surviving spouse of a retired  
30 member of PFRS (N.J.S.A.43:16A-12.1) was increased to 50% of  
31 average final compensation under P.L.1991, c.511.

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36 Increases minimum amount of PFRS ordinary disability retirement  
37 allowance from 40% to 50% of average final compensation.