

SENATE, No. 847

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 26, 1996

By Senators CONNORS and BUBBA

1 **AN ACT** increasing the amount of the adjustment of certain retirement
2 allowances and survivor benefits and amending P.L.1969, c.169.
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4 **BE IT ENACTED** by the *Senate and General Assembly of the State*
5 *of New Jersey*:

6 1. Section 6 of P.L.1969, c.169 (C.43:3B-7) is amended to read as
7 follows:

8 6. a. On or before October 1, 1977 and by the same date in each
9 subsequent year, the Director of the Division of Pensions shall review
10 the index and determine the percentum of change in the index from the
11 benefit year index. In determining the percentum of change the
12 director shall use the index for the year ending the August 31 prior to
13 the date of review, dividing such index by the benefit year index and
14 then subtracting 100% from the resulting quotient expressed to the
15 nearest 1/100 of 1%. The percentage of adjustment shall be 3/5 of the
16 percentum of change. Any adjustment so calculated shall apply to all
17 of the months of the following calendar year for eligible retirants and
18 beneficiaries, except for those qualifying for the first time, it shall
19 apply only to those months of the following calendar year in which the
20 retirant or beneficiary is eligible to receive the adjustment.

21 b. In the case of any retirant or beneficiary under the provisions of
22 P.L.1955, c.257 (C.43:15A-97 et seq.), of chapter 16 of this title, or
23 of P.L.1944, c.255 (C.43:16A-1 et seq.), including a person who
24 retired or became a beneficiary prior to the effective date of P.L. ,
25 c. (now pending before the Legislature as this bill), on and after
26 October 1 following that effective date, the percentage of adjustment
27 shall be 100% of the percentum of change in the index.

28 c. The director shall include[(a)]in his corpus appropriation request
29 for the administration of the act on behalf of those retirants and
30 beneficiaries for whom the State assumes the costs attributable to this
31 act, and[(b)]in his certification of amounts due from each employer
32 in accordance with section 4 of the Pension Adjustment Act, (1)
33 amounts sufficient to adjust the retirement allowances, survivorship

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 benefits or pensions payable to all eligible retirants and beneficiaries
2 by 3/5 of the percentum of change in the index as such retirement
3 allowances, survivorship benefits or pensions may have been originally
4 granted, or increased for certain retirants or beneficiaries in
5 accordance with section 3 of the Pension Adjustment Act, and (2) such
6 additional amounts as are necessary to adjust the retirement allowance,
7 pension or survivorship benefit due retirants or beneficiaries under the
8 annual adjustment provisions set forth in subsection b. of this section.
9 In no instance shall the amount of the retirement allowance or pension
10 originally granted and payable to any retirant be reduced as a result of
11 the adjustment made pursuant to the provisions of P.L.1969, c.169.

12 [b.]d. For purposes of this act a "retirant" shall mean any retirant
13 who has or shall have received a retirement allowance or pension for
14 no less than 24 months and a "beneficiary" shall mean any beneficiary
15 who has or shall have received for no less than 24 months a pension,
16 or survivorship benefit, or whose increased pension pursuant to the
17 provisions of the statutes stipulated in subsection d(4) of section 1 of
18 the act to which this act is an amendment (C.43:3B-1). In the case of
19 beneficiaries, all or any part of the 24 month period shall include the
20 period in which the retirant was entitled to receive his retirement
21 allowance or pension.

22 (cf: P.L.1977, c.306, s.4)

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24 2. This act shall take effect July 1 next following enactment.

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26 STATEMENT

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28 This bill would permanently increase the cost of living adjustment
29 in pension allowances and survivor benefits for all retirants and
30 beneficiaries under the Consolidated Police and Firemen's Pension
31 Fund (CPFPF) and the Police and Firemen's Retirement System
32 (PFRS), and also for retired law enforcement officers (LEOs) and their
33 beneficiaries under the Public Employees' Retirement System (PERS).
34 Under current law, the amount of the adjustment is fixed at three-fifths
35 (60%) of the percentum of change in the federal Consumer Price Index
36 for Urban Wage Earners and Clerical Workers. Under the bill, the
37 amount of the adjustment would, for the indicated categories of
38 retirants and beneficiaries, be increased to 100% of the change in the
39 index.

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43 Increases cost of living adjustment in pension allowances and survivor
44 benefits payable to certain former public safety officers and their
45 survivors.