

SENATE, No. 972

STATE OF NEW JERSEY

INTRODUCED MARCH 18, 1996

By Senator SINAGRA

1 AN ACT concerning the terms of office of certain elected members of
2 the board of trustees of the Teachers' Pension and Annuity Fund,
3 amending N.J.S.18A:66-56 and supplementing chapter 66 of Title
4 18A of the New Jersey Statutes.

5
6 **BE IT ENACTED** *by the Senate and General Assembly of the State*
7 *of New Jersey:*

8
9 1. (New section) Notwithstanding the provisions of
10 N.J.S.18A:66-56 and in order to effect the staggering of the terms of
11 the members of the board of trustees of the retirement system elected
12 from the groups defined in the regulations of the retirement system,
13 the terms of those members shall be as follows:

14 a. the member elected from Group A for a term commencing
15 January 1, 1997, shall serve a term of three years;

16 b. the member elected from Group C for a term commencing
17 January 1, 1997, shall serve a term of two years;

18 c. the member elected from Group B for a term commencing on
19 January 1, 1998, shall serve a term of three years.

20 Members elected thereafter shall serve three-year terms.

21
22 2. N.J.S.18A:66-56 is amended to read as follows:

23 18A:66-56. Subject to the provisions of chapter 70 of the laws of
24 1955, the general responsibility for the proper operation of the
25 teachers' pension and annuity fund shall be vested in the board of
26 trustees. Subject to the limitations of the law, the board shall annually
27 establish rules and regulations for the administration and transaction
28 of its business and for the control of the funds created by this article.
29 Such rules and regulations shall be consistent with those adopted by
30 the other pension funds within the Division of Pensions in order to
31 permit the most economical and uniform administration of all such
32 retirement systems. The membership of the board shall consist of the
33 following:

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

Matter underlined thus is new matter.

1 (a) The State Treasurer or the deputy State Treasurer, when
2 designated for that purpose by the State Treasurer;

3 (b) Two trustees appointed by the Governor, with the advice and
4 consent of the Senate, who shall serve for a term of office of three
5 years and until their successors are appointed, and who shall be private
6 citizens of the State of New Jersey and who are neither an officer
7 thereof nor active or retired members of the system, except that of the
8 two trustees initially appointed by the Governor pursuant to P.L.1992,
9 c.41 (C.43:6A-33.1 et al.), one shall be appointed for a term of two
10 years and one for a term of three years;

11 (c) Three trustees from among the active or retired members of the
12 retirement system, elected by the membership or by the delegates
13 elected for this purpose by the membership, one of whom shall be
14 elected each year for a three-year term commencing on January 1,
15 following such election in such manner as the board of trustees may
16 prescribe;

17 (d) One trustee not an active or retired teacher nor an officer of the
18 State, elected by the other trustees, other than the State Treasurer, for
19 a term of three years.

20 A vacancy occurring in the board of trustees shall be filled in the
21 same manner as provided in this section for regular appointment or
22 election to the position where the vacancy exists, except that a
23 vacancy occurring in the trustees elected from among the active or
24 retired members of the retirement system shall be filled for the
25 unexpired term.

26 Each member of the board shall, upon appointment or election, take
27 an oath of office that, so far as it devolves upon him, he will diligently
28 and honestly administer the board's affairs, and that he will not
29 knowingly violate or willfully permit to be violated any provision of
30 law applicable to this article. The oath shall be subscribed to by the
31 member making it, certified by the officer before whom it is taken and
32 filed immediately in the office of the Secretary of State.

33 Each trustee shall be entitled to one vote in the board and a
34 majority of all the votes of the entire board shall be necessary for a
35 decision by the board of trustees at a meeting of the board. The board
36 shall keep a record of all its proceedings, which shall be open to public
37 inspection.

38 The members of the board shall serve without compensation but
39 shall be reimbursed for any necessary expenditures. No employee shall
40 suffer loss of salary or wages through serving on the board.

41 The State Treasurer shall designate a medical board after
42 consultation with the Director of the Division of Pensions, subject to
43 veto by the board for valid reason. It shall be composed of three
44 physicians who are not eligible to participate in the retirement system.
45 The medical board shall pass upon all medical examinations required
46 under the provisions of this article, shall investigate all essential

1 statements and certificates by or on behalf of a member in connection
2 with an application for disability retirement, and shall report in writing
3 to the retirement system its conclusions and recommendations upon all
4 matters referred to it.

5 (cf: P.L.1992, c.41, s.5)

6

7 3. This act shall take effect immediately.

8

9

10 STATEMENT

11

12 This bill restores the staggered terms for members of the board of
13 trustees of the Teachers' Pension and Annuity Fund who are elected
14 from among the active or retired members of the retirement system.
15 The terms of those members were originally staggered and filled only
16 for the unexpired term, but the provision for filling vacancies for the
17 unexpired term was eliminated in 1971. Several years ago there was
18 a mid-term vacancy which resulted in two elected members standing
19 for election at the same time and serving concurrent terms. This
20 creates the potential for instability and a lack of continuity among the
21 elected members of the board. Under this bill, the requirement for
22 filling vacancies for the unexpired term is restored, and specific terms
23 for the next three holders of the elected positions are established.
24 Thereafter, one member will be elected each year for a three-year
25 term.

26

27

28

29

30 Restores staggered terms for certain elected members of TPAF board
31 of trustees.