

SENATE, No. 1387

STATE OF NEW JERSEY

INTRODUCED JUNE 27, 1996

By Senators CONNORS, PALAIA and Casey

1 AN ACT concerning the election of certain trustees of the Teachers'
2 Pension and Annuity Fund and amending N.J.S.18A:66-56.

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

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7 1. N.J.S.18A:66-56 is amended to read as follows:

8 18A:66-56. Subject to the provisions of chapter 70 of the laws of
9 1955, the general responsibility for the proper operation of the
10 teachers' pension and annuity fund shall be vested in the board of
11 trustees. Subject to the limitations of the law, the board shall annually
12 establish rules and regulations for the administration and transaction
13 of its business and for the control of the funds created by this article.
14 Such rules and regulations shall be consistent with those adopted by
15 the other pension funds within the Division of Pensions in order to
16 permit the most economical and uniform administration of all such
17 retirement systems. The membership of the board shall consist of the
18 following:

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

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

29 (c) Three trustees from among the active or retired members of the
30 retirement system, elected by the membership or by the delegates
31 elected for this purpose by the membership, one of whom shall be
32 elected each year for a three-year term commencing on January 1,
33 following such election in such manner as the board of trustees may
34 prescribe. If the board of trustees determines that the election of

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 trustees under this subsection is to be made by delegates elected by the
2 membership, it shall prescribe that those delegates shall be chosen
3 from among active and retired members of the retirement system;

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

7 A vacancy occurring in the board of trustees shall be filled in the
8 same manner as provided in this section for regular appointment or
9 election to the position where the vacancy exists.

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

17 Each trustee shall be entitled to one vote in the board and a
18 majority of all the votes of the entire board shall be necessary for a
19 decision by the board of trustees at a meeting of the board. The board
20 shall keep a record of all its proceedings, which shall be open to public
21 inspection.

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

25 The State Treasurer shall designate a medical board after
26 consultation with the Director of the Division of Pensions, subject to
27 veto by the board for valid reason. It shall be composed of three
28 physicians who are not eligible to participate in the retirement system.
29 The medical board shall pass upon all medical examinations required
30 under the provisions of this article, shall investigate all essential
31 statements and certificates by or on behalf of a member in connection
32 with an application for disability retirement, and shall report in writing
33 to the retirement system its conclusions and recommendations upon all
34 matters referred to it.

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

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37 2. This act shall take effect immediately.
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40 STATEMENT

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42 This bill permits retired members of the Teachers' Pension and
43 Annuity Fund (TPAF) to be delegates to the Fund's annual convention.

44 The statute establishing the membership of the TPAF board of
45 trustees provides that, of the seven members of the board, three shall
46 be "active or retired members of the retirement system, elected by the

1 membership or by the delegates elected for this purpose by the
2 membership . . . in such manner as the board of trustees may
3 prescribe". N.J.S.A.18A:66-56. The regulations of the TPAF board
4 of trustees provide that the three member-trustees shall be elected, one
5 in each year, at an "annual convention of delegates of the membership
6 of the Fund", N.J.A.C.17:3-1.4(a). The regulations further specify
7 that "delegates to the convention must be active members of the
8 Fund", N.J.A.C.17:3-1.4(e).

9 Under this bill, eligibility to serve as a delegate to the convention
10 held to elect member trustees of the TPAF is extended to retired, as
11 well as active, members of the retirement system.

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17 Permits retirants from TPAF to serve as delegates to convention at
which elected trustees of pension fund are chosen.