

SENATE, No. 1397

STATE OF NEW JERSEY

INTRODUCED JULY 25, 1996

By Senator MacINNES

1 AN ACT concerning pensions payable to certain ex-spouses under the
2 Police and Firemen's Retirement System and amending P.L.1967,
3 c.250.

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

7
8 1. Section 26 of P.L.1967, c.250 (C.43:16A-12.1) is amended to
9 read as follows:

10 26. a. Upon the death after retirement of any member of the
11 retirement system there shall be paid to ~~[his]~~the widow or widower a
12 pension of 50% of average final compensation for the use of herself or
13 himself, to continue during her or his widowhood, ~~[plus]~~except that
14 if a retirant is divorced and if the divorce decree provides that the ex-
15 spouse shall receive a portion of the retirant's retirement allowance,
16 the ex-spouse, if not remarried, shall continue to receive that amount,
17 up to 50% of average final compensation, upon the retirant's death.
18 If the retirant has remarried at least two years before the date of death
19 and continued to be married at the date of death, the spouse shall
20 receive a pension of 50% of average final compensation less the
21 amount payable to the retirant's ex-spouse pursuant to a divorce
22 decree. In addition, 15% of [such] average final compensation
23 [payable]shall be paid to one surviving child or an additional 25% of
24 such compensation to two or more children; if there is no surviving
25 widow or widower or in case the widow or widower dies or remarries,
26 20% of average final compensation will be payable to one surviving
27 child, 35% of such compensation to two surviving children in equal
28 shares and if there be three or more children, 50% of such
29 compensation would be payable to such children in equal shares.

30 b. The increased pension benefits payable under this act shall apply
31 only to cases where such policeman or fireman retires on or after
32 December 18, 1967 and shall not affect pensions paid or to be paid as
33 a result of retirements occurring prior to said date. The increased
34 pension benefits payable under this subsection of this 1991 amendatory

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 and supplementary act shall apply only to pension benefits payable on
2 or after the effective date of this 1991 amendatory and supplementary
3 act, P.L.1991, c.511 (C.43:3B-8.4 et al.).

4 c. As of the effective date of this 1991 amendatory and
5 supplementary act, P.L.1991, c.511 (C.43:3B-8.4 et al.), all widows'
6 and widowers' pensions previously granted or to be granted pursuant
7 to the provisions of subsection a. of this section or section 10 of
8 chapter 255 of the laws of 1944, as amended, and all such pensions
9 previously granted, or to be granted where retirement for accidental
10 disability occurred prior to December 18, 1967, pursuant to the
11 provisions of section 7(3) of chapter 255 of the laws of 1944 prior to
12 the amendment of that section by P.L.1967, c.250, will be subject to
13 a minimum, annual, aggregate payment of \$4,500. The increased
14 pension benefits payable under this subsection of this 1991 amendatory
15 and supplementary act shall apply only to pension benefits payable on
16 or after the effective date of this 1991 amendatory and supplementary
17 act, P.L.1991, c.511 (C.43:3B-8.4 et al.).

18 d. The State shall reimburse local governments for additional
19 pension costs arising from any increase in the annual pension payable
20 to a widow or widower pursuant to this section of this 1991
21 amendatory and supplementary act, P.L.1991, c.511 (C.43:3B-8.4 et
22 al.).

23 (cf: P.L.1991,c.511,s.1)

24

25 2. Any widow or widower receiving a pension pursuant to section
26 26 of P.L.1967, c.250 (C.43:16A-12.1) prior to the enactment date of
27 this act, P.L. , c. (C.) (now pending before the Legislature as
28 this bill), who would be ineligible to continue to receive the full
29 pension after the effective date of this act shall continue to receive the
30 full pension.

31

32 3. This act shall take effect immediately and shall be retroactive to
33 July 1, 1995.

34

35

36

STATEMENT

37

38 At present, upon the death of a retirant of the Police and Firemen's
39 Retirement System (PFRS), there is paid to the widow or widower a
40 pension of 50% of average final compensation (the average annual
41 salary upon which contributions are made for the three years of
42 creditable service immediately preceding retirement or death or the
43 average annual salary for which contributions are made during any
44 three fiscal years of membership providing the largest possible benefit
45 to the member or the beneficiary). To qualify for this pension, a
46 spouse must be married to a retirant for at least two years before the

1 date of the retirant's death. This requirement has harmed divorced
2 women who have been awarded a portion of a retirant's retirement
3 allowance in a divorce decree but were not entitled to have that
4 payment continue upon the retirant's death. This bill seeks to remedy
5 this problem by providing that if a retirant is divorced and if the
6 divorce decree provides that the ex-spouse shall receive a portion of
7 the retirant's retirement allowance, the ex-spouse, if not remarried,
8 shall continue to receive that amount, up to 50% of average final
9 compensation, upon the retirant's death. If the retirant has remarried
10 at least two years before the date of death and continued to be
11 married at the date of death, the spouse shall receive a pension of 50%
12 of average final compensation less the amount payable to the retirant's
13 ex-spouse pursuant to a divorce decree.

14 This act shall take effect immediately and is retroactive to July 1,
15 1995. Any widow or widower receiving a pension prior to the
16 enactment date of this act who would be ineligible to continue to
17 receive the full pension after the effective date of this act shall
18 continue to receive the full pension.

19

20

21

22

23 Provides for certain ex-spouses of retirants to receive a pension under
24 PFRS.