

SENATE COMMUNITY AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 1878

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 8, 1997

The Senate Community Affairs Committee reports favorably Senate Bill No. 1878 with committee amendments.

This bill would clarify the right of municipalities and fire districts, which maintain either volunteer fire departments or first aid or rescue squads, or which have located within their municipality one or more incorporated volunteer fire companies or first aid or rescue squads, to offer volunteer members insurance annuity policies. Such annuity policies could be provided on a group or individual basis with insurance firms authorized to do business in New Jersey.

These policies would only be available if approved by a referendum of the voters of the municipality or fire district, as appropriate, and if approved by the governing body in the case of a municipal company or squad.

The committee made several technical and substantive amendments to the bill. The committee amended sections 1 and 2 of the bill to add first aid and rescue squad members to the bill's scope. The committee also amended sections 1 and 2 of the bill to require that the offering of an annuity be approved by the voters of the municipality or fire district, as appropriate, and by the governing body in the case of a municipal company before it may be offered to volunteer members.

Finally, the committee amended the bill to remove spouses of volunteers as eligible individuals for whom annuities could be purchased.

This bill was prompted by an Attorney General Opinion in November, 1996 that advised the Department of Community Affairs that municipalities and fire districts are not authorized to purchase, for the benefit of volunteer firefighters and volunteer first aid and rescue squad members, annuity contracts which provide for the payment of annuity benefits to individuals in any event other than their total permanent disability.