

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1676

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 17, 2021

The Assembly Appropriations Committee reports favorably Assembly Bill No. 1676, with committee amendments.

As amended, this bill would provide accidental death benefits to a surviving spouse or surviving child under the State Police Retirement System (SPRS) if the deceased spouse or parent participated in 9/11 World Trade Center rescue, recovery, or cleanup operation and had subsequent impairment of health as a result of that participation and died of a qualifying illness or disease contracted from that participation.

A recently enacted law, P.L.2019, c.157, enacted on July 8, 2019, provides an accidental disability retirement to such SPRS members or retirees under certain circumstances. Deceased members or retirees who died prior to the implementation of that law could not benefit from its passage.

This current bill provides the accidental death benefits to the surviving spouses or surviving children of an SPRS retiree who died before July 8, 2019 and thus did not have available the option to apply for the accidental disability retirement provided by P.L.2019, c.157. The bill provides accidental death benefits to a surviving spouse and surviving children if the retiree participated in 9/11 World Trade Center rescue, recovery, or cleanup operation and subsequently died in retirement before July 8, 2019 of a qualifying illness or disease contracted from that participation.

The accidental death benefits provide the surviving spouse with an annual payment of 70% of the member's final compensation, with certain annual adjustments that may be available to increase that final compensation over a certain period of time. If there is no surviving spouse, the surviving children receive the same annual payment. In addition, the surviving spouse or surviving children receive 3.5 times the retiree's final compensation as a lump sum payment regardless of the retiree's age at the time of death, and the State will pay the entire premium for the health care benefits coverage for the retiree's surviving spouse and surviving children. This benefit does not end when the surviving spouse remarries.

As amended and reported by the committee, Assembly Bill No. 1676 is identical to Senate Bill No. 3208 (1R), which also was reported by the committee on this date.

This bill was pre-filed for introduction in the 2020-2021 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS:

There amendment provides that the surviving spouse, child, or children of a retired member of the SPRS who was receiving an accidental disability retirement allowance and died before July 8, 2019 would receive the accidental death benefit under the circumstances specified in the bill.

FISCAL IMPACT:

This bill will increase the annual accidental death benefit by 40 percent from 50 percent of final compensation to 70 percent for certain surviving spouses, with a greater increase for surviving children of an SPRS member who died as a result of their participation in the 9/11 World Trade Center (WTC) rescue and recovery operation. The bill will result in an unfunded liability to the SPRS and increase the contributions required to be paid by the State. The surviving spouse and the surviving children will also receive State-paid health care benefits.

The aggregate cost increase cannot be estimated because it will depend on the number of surviving spouses or surviving children of SPRS who will become eligible for the increased annual benefits and the health care benefits coverage, which are unknown at this time.