

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 3208

STATE OF NEW JERSEY
219th LEGISLATURE

DATED: DECEMBER 7, 2020

SUMMARY

- Synopsis:** Provides accidental death benefits in certain circumstances to surviving spouse and surviving child of SPRS member or retiree who participated in 9/11 World Trade Center rescue, recovery, or cleanup operations.
- Type of Impact:** Expenditure Increase to the State General Fund.
- Agencies Affected:** Department of the Treasury, Division of Pensions and Benefits.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost Increase	Indeterminate		

- 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.

BILL DESCRIPTION

This bill would provide accidental death benefits to a surviving spouse or surviving child under the 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.

The 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 WTC 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 percent 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.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

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<i>Section:</i>	<i>State Government</i>
<i>Analyst:</i>	<i>Kimberly M. Clemmensen</i> <i>Lead Fiscal Analyst</i>
<i>Approved:</i>	<i>Thomas Koenig</i> <i>Assistant Legislative Budget and Finance Officer</i>

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).