

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3208

with committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 19, 2020

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3208, 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.

COMMITTEE AMENDMENTS:

There is an amendment to provide 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:

The OLS anticipates that annual State expenditures will increase by an indeterminate amount as the accidental death benefits provided under the bill will raise annual State contributions to the State Police Retirement System and as the State will pay the entire premiums for the health care benefits coverage for affected beneficiaries. The aggregate expenditure increase cannot be estimated because of a lack of information on the number of individuals who will become eligible for the benefits.