

SENATE, No. 2085

STATE OF NEW JERSEY
217th LEGISLATURE

INTRODUCED APRIL 25, 2016

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

Senator KEVIN J. O'TOOLE

District 40 (Bergen, Essex, Morris and Passaic)

SYNOPSIS

Allows municipality with life guard pension fund to close enrollment to new employees or to terminate fund altogether.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning life guard pension funds and amending
2 R.S.43:13-29.

3

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

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7 1. R.S.43:13-29 is amended to read as follows:

8 43:13-29. Management and control of fund; treasurer;
9 investments; payments

10 a. The life guard pension commission shall have the
11 management and control of the fund and may make all necessary
12 rules and regulations not inconsistent with this article.

13 All moneys belonging to the fund shall be paid over to the city
14 treasurer, who shall give bond in such amount, from time to time, as
15 the governing body of the city determines. All moneys not needed
16 for the immediate payment of the pensions shall be invested by the
17 life guard pension commission in interest bearing bonds of the city
18 or in other interest bearing securities in which savings banks of this
19 state may invest their funds. No moneys shall be paid out of the
20 fund by the treasurer except upon the warrant of the life guard
21 pension commission, to be signed by such member or members of
22 the commission as shall be designated by the commission.

23 b. (1) The governing body of a municipality that has
24 established a pension fund for life guards pursuant to article 3 of
25 chapter 13 of Title 43 of the Revised Statutes (C.43:13-23 through
26 43:13-29) may adopt an ordinance directing that the provisions of
27 that article shall not apply to any person becoming a member of the
28 life guard force subsequent to the passage of such ordinance.

29 (2) The governing body of a municipality that has established a
30 pension fund for life guards pursuant to article 3 of chapter 13 of
31 Title 43 of the Revised Statutes (C.43:13-23 through 43:13-29) may
32 adopt an ordinance terminating its pension fund for life guards.

33 Upon the termination of the pension fund, the rights of all
34 members of the fund to benefits accrued to the date of the
35 termination, to the extent then funded, are non-forfeitable. The
36 termination and distribution of the corpus and income from the
37 pension fund shall conform to the required termination and
38 distribution provisions of the federal Internal Revenue Code and the
39 regulations issued by the United States Department of the Treasury
40 under that Code.

41 In accordance with the provisions of the federal Internal Revenue
42 Code, and subject to such exceptions as may be permitted for
43 governmental plans under the Code, at no time prior to the
44 satisfaction of all liabilities with respect to members and their
45 beneficiaries under the pension fund shall any part of the corpus or

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 income of the respective retirement systems, within the taxable year
2 or thereafter, be used for or diverted to purposes other than for the
3 exclusive benefit of the members or their beneficiaries.
4 (cf: R.S.43:13-29)

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6 2. This act shall take effect immediately.

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STATEMENT

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11 Current statutes provide for the establishment of a pension fund
12 for members of the life guard force of cities of the fourth class,
13 which are seaside or summer resort cities bordering on the Atlantic
14 Ocean. Atlantic City, for example, pays more than \$1 million to its
15 retired life guards each year. The seven statutes governing these
16 life guard pension funds were enacted in 1928 and last amended in
17 1936.

18 This bill provides that the governing body of a municipality that
19 has established a pension fund for life guards, pursuant to N.J.S.A.
20 43:13-23 through 43:13-29, may adopt an ordinance (1) directing
21 that those provisions of the law will not apply to any person
22 becoming a member of the life guard force subsequent to the
23 passage of such ordinance, or (2) terminating the pension fund for
24 life guards altogether.

25 The bill provides that upon termination of a pension fund for life
26 guards, the rights of all members of the fund to benefits accrued to
27 the date of the termination or discontinuance, to the extent then
28 funded, are non-forfeitable, and the form and timing of all
29 distributions from the fund will conform to the required distribution
30 provisions of the federal Internal Revenue Code.