LEGISLATIVE FISCAL ESTIMATE

SENATE COMMITTEE SUBSTITUTE FOR

SENATE, No. 2430

STATE OF NEW JERSEY
219th LEGISLATURE

DATED: JULY 9, 2020

SUMMARY

Synopsis: Extends eligibility for accidental disability and accidental death benefits to certain PFRS, SPRS, and PERS members who contract COVID-19 and test positive for SARS-CoV-2.

Type of Impact: Expenditure increase to the State and local government funds.

Agencies Affected: Division of Pensions and Benefits in the Department of the Treasury; local government entities.

Office of Legislative Services Estimate

Fiscal Impact	Year 1	Year 2	Year 3
State Cost Increase		Indeterminate	
Local Cost Increase		Indeterminate	

- The Office of Legislative Services (OLS) notes that extending accidental disability and accidental death benefits to certain members of the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the State Police Retirement System (SPRS) due to COVID-19 will result in an indeterminate increase in employer contributions to the three retirement systems.

- The cost increase in this bill is indeterminate because the number of those members who may be disabled or who may die as a result of COVID-19 and their compensation, years of service, and age cannot be determined.

- The Division of Pensions and Benefits and the Board of Trustees for PERS, PFRS, and the SPRS may incur a one-time increase in costs to implement the notification procedures required by the bill.

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BILL DESCRIPTION

This bill extends accidental disability and accidental death benefits to eligible law enforcement officers, firefighters, and emergency medical responders enrolled in the PFRS, PERS, and SPRS who contract COVID-19 and test positive for SARS-CoV-2 during the public health emergency in this State declared by the Governor in Executive Order No.103 and as extended by the Governor.

The bill requires notice to be provided to all members of PFRS, PERS, and SPRS, those who have retired on or after March 9, 2020, and all those beneficiaries of members who have died on or after March 9, 2020 of the provisions of this bill within 30 days after the effective date.

The board of trustees for PFRS, PERS, and SPRS may adopt emergency regulations for the purposes of expeditious and effective implementation of the provisions of this bill.

This bill is retroactive to March 9, 2020.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS notes that extending accidental disability and accidental death benefits to certain members of the PFRS, PERS, and SPRS due to COVID-19 will result in an indeterminate increase in the employer contributions to the three retirement systems. The cost increase in this bill is indeterminate because the number of those members who may become disabled or who may die as a result of COVID-19 cannot be determined at this time and, therefore, the compensation, years of service, and age of the members affected are not known.

In addition to the benefit cost increases, the Division of Pensions and Benefits and the Board of Trustees for PERS, PFRS, and SPRS may incur a one-time increase in costs to implement the notification procedures required by the bill.

Section:	*State Government*
Analyst:	*Kimberly M. Clemmensen* *Lead Fiscal Analyst*
Approved:	*Frank W. Haines III* *Legislative Budget and Finance Officer*

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