

P.L. 1999, CHAPTER 428, *approved January 18, 2000*  
Assembly, No. 2328 (*First Reprint*)

1 **AN ACT** concerning retirement benefits for members of the Police and  
2 Firemen's Retirement System of New Jersey <sup>1</sup>**[and]**,<sup>1</sup> amending  
3 various parts of the statutory law <sup>1</sup>and supplementing P.L.1944,  
4 c.255<sup>1</sup>.

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

8  
9 1. Section 1 of P.L.1944, c.255 (C.43:16A-1) is amended to read  
10 as follows:

11 1. As used in this act:

12 (1) "Retirement system" or "system" shall mean the Police and  
13 Firemen's Retirement System of New Jersey as defined in section 2 of  
14 this act.

15 (2) (a) "Policeman" shall mean a permanent, full-time employee of  
16 a law enforcement unit as defined in section 2 of P.L.1961, c.56  
17 (C.52:17B-67) or the State, other than an officer or trooper of the  
18 Division of State Police whose position is covered by the State Police  
19 Retirement System, whose primary duties include the investigation,  
20 apprehension or detention of persons suspected or convicted of  
21 violating the criminal laws of the State and who:

22 (i) is authorized to carry a firearm while engaged in the actual  
23 performance of his official duties;

24 (ii) has police powers;

25 (iii) is required to complete successfully the training requirements  
26 prescribed by P.L.1961, c.56 (C.52:17B-66 et seq.) or comparable  
27 training requirements as determined by the board of trustees; and

28 (iv) is subject to the physical and mental fitness requirements  
29 applicable to the position of municipal police officer established by an  
30 agency authorized to establish these requirements on a Statewide  
31 basis, or comparable physical and mental fitness requirements as  
32 determined by the board of trustees.

33 The term shall also include an administrative or supervisory  
34 employee of a law enforcement unit or the State whose duties include  
35 general or direct supervision of employees engaged in investigation,  
36 apprehension or detention activities or training responsibility for these  
37 employees and a requirement for engagement in investigation,  
38 apprehension or detention activities if necessary, and who is  
39 authorized to carry a firearm while in the actual performance of his  
40 official duties and has police powers.

**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.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup> Assembly AAP committee amendments adopted December 13, 1999.

1 (b) "Fireman" shall mean a permanent, full-time employee of a  
2 firefighting unit whose primary duties include the control and  
3 extinguishment of fires and who is subject to the training and physical  
4 and mental fitness requirements applicable to the position of municipal  
5 firefighter established by an agency authorized to establish these  
6 requirements on a Statewide basis, or comparable training and physical  
7 and mental fitness requirements as determined by the board of trustees.  
8 The term shall also include an administrative or supervisory employee  
9 of a firefighting unit whose duties include general or direct supervision  
10 of employees engaged in fire control and extinguishment activities or  
11 training responsibility for these employees and a requirement for  
12 engagement in fire control and extinguishment activities if necessary.  
13 As used in this paragraph, "firefighting unit" shall mean a municipal  
14 fire department, a fire district, or an agency of a county or the State  
15 which is responsible for control and extinguishment of fires.

16 (3) "Member" shall mean any policeman or fireman included in the  
17 membership of the retirement system pursuant to this amendatory and  
18 supplementary act, P.L.1989, c.204 (C.43:16A-15.6 et al.).

19 (4) "Board of trustees" or "board" shall mean the board provided  
20 for in section 13 of this act.

21 (5) "Medical board" shall mean the board of physicians provided  
22 for in section 13 of this act.

23 (6) "Employer" shall mean the State of New Jersey, the county,  
24 municipality or political subdivision thereof which pays the particular  
25 policeman or fireman.

26 (7) "Service" shall mean service as a policeman or fireman paid for  
27 by an employer.

28 (8) "Creditable service" shall mean service rendered for which  
29 credit is allowed as provided under section 4 of this act.

30 (9) "Regular interest" shall mean interest as determined by the  
31 State Treasurer, after consultation with the Directors of the Divisions  
32 of Investment and Pensions, the board of trustees and the actuary. It  
33 shall bear a reasonable relationship to the percentage rate of earnings  
34 on investments based on the market value of assets but shall not  
35 exceed the assumed percentage rate of increase applied to salaries plus  
36 3%, provided however that the board of trustees shall not set the  
37 average percentage rate of increase applied to salaries below 6%.

38 (10) "Aggregate contributions" shall mean the sum of all the  
39 amounts, deducted from the compensation of a member or contributed  
40 by him or on his behalf, standing to the credit of his individual account  
41 in the annuity savings fund.

42 (11) "Annuity" shall mean payments for life derived from the  
43 aggregate contributions of a member.

44 (12) "Pension" shall mean payments for life derived from  
45 contributions by the employer.

46 (13) "Retirement allowance" shall mean the pension plus the

1 annuity.

2 (14) "Earnable compensation" shall mean the full rate of the salary  
3 that would be payable to an employee if he worked the full normal  
4 working time for his position. In cases where salary includes  
5 maintenance, the retirement system shall fix the value of that part of  
6 the salary not paid in money which shall be considered under this act.

7 (15) "Average final compensation" shall mean the average annual  
8 salary upon which contributions are made for the three years of  
9 creditable service immediately preceding his retirement or death, or it  
10 shall mean the average annual salary for which contributions are made  
11 during any three fiscal years of his or her membership providing the  
12 largest possible benefit to the member or his beneficiary.

13 (16) "Retirement" shall mean the termination of the member's  
14 active service with a retirement allowance granted and paid under the  
15 provisions of this act.

16 (17) "Annuity reserve" shall mean the present value of all payments  
17 to be made on account of any annuity or benefit in lieu of any annuity  
18 computed upon the basis of such mortality tables recommended by the  
19 actuary as shall be adopted by the board of trustees, and regular  
20 interest.

21 (18) "Pension reserve" shall mean the present value of all payments  
22 to be made on account of any pension or benefit in lieu of any pension  
23 computed upon the basis of such mortality tables recommended by the  
24 actuary as shall be adopted by the board of trustees, and regular  
25 interest.

26 (19) "Actuarial equivalent" shall mean a benefit of equal value  
27 when computed upon the basis of such mortality tables recommended  
28 by the actuary as shall be adopted by the board of trustees, and regular  
29 interest.

30 (20) "Beneficiary" shall mean any person receiving a retirement  
31 allowance or other benefit as provided by this act.

32 (21) "Child" shall mean a deceased member's or retirant's  
33 unmarried child (a) under the age of 18, or (b) 18 years of age or older  
34 and enrolled in a secondary school, or (c) under the age of 24 and  
35 enrolled in a degree program in an institution of higher education for  
36 at least 12 credit hours in each semester, provided that the member  
37 died in active service as a result of an accident met in the actual  
38 performance of duty at some definite time and place, and the death  
39 was not the result of the member's willful misconduct, or (d) of any  
40 age who, at the time of the member's or retirant's death, is disabled  
41 because of mental retardation or physical incapacity, is unable to do  
42 any substantial, gainful work because of the impairment and his  
43 impairment has lasted or can be expected to last for a continuous  
44 period of not less than 12 months, as affirmed by the medical board.

45 (22) "Parent" shall mean the parent of a member who was receiving  
46 at least one-half of his support from the member in the 12-month

1 period immediately preceding the member's death or the accident  
2 which was the direct cause of the member's death. The dependency of  
3 such a parent will be considered terminated by marriage of the parent  
4 subsequent to the death of the member.

5 (23) "Widower" shall mean the man to whom a member or retiree  
6 was married [at least one year before the date of her death and to  
7 whom she continued to be married until] on the date of her death and  
8 who has not remarried. [In the event of the payment of an accidental  
9 death benefit, the one-year qualification shall be waived.]

10 (24) "Widow" shall mean the woman to whom a member or retiree  
11 was married [at least one-year before the date of his death and to  
12 whom he continued to be married until] on the date of his death and  
13 who has not remarried. [In the event of the payment of an accidental  
14 death benefit, the one year qualification shall be waived.]

15 (25) "Fiscal year" shall mean any year commencing with July 1, and  
16 ending with June 30, next following.

17 (26) "Compensation" shall mean the base salary, for services as a  
18 member as defined in this act, which is in accordance with established  
19 salary policies of the member's employer for all employees in the same  
20 position but shall not include individual salary adjustments which are  
21 granted primarily in anticipation of the member's retirement or  
22 additional remuneration for performing temporary duties beyond the  
23 regular workday.

24 (27) "Department" shall mean any police or fire department of a  
25 municipality or a fire department of a fire district located in a township  
26 or a county police or park police department or the appropriate  
27 department of the State or instrumentality thereof.

28 (28) "Final compensation" means the compensation received by the  
29 member in the last 12 months of creditable service preceding his  
30 retirement <sup>1</sup>or death<sup>1</sup>.

31 (29) (Deleted by amendment, P.L.1992, c.78).

32 (30) (Deleted by amendment, P.L.1992, c.78).

33 (cf: P.L.1996, c.89, s.1)

34  
35 2. Section 5 of P.L.1944, c.255 (C.43:16A-5) is amended to read  
36 as follows:

37 5. (1) Any member in service who has attained age 55 years may  
38 retire on a service retirement allowance upon filing a written and duly  
39 executed application to the retirement system, setting forth at what  
40 time, not less than 1 month subsequent to the filing thereof, he desires  
41 to be retired. Any member in service who attains age 65 years shall be  
42 retired on a service retirement allowance forthwith on the first day of  
43 the next calendar month.

44 (2) Upon retirement for service a member shall receive a service  
45 retirement allowance which shall consist of:

46 (a) An annuity which shall be the actuarial equivalent of his

1 aggregate contributions and

2 (b) A pension in the amount which, when added to the member's  
3 annuity, will provide a total retirement allowance of one-sixtieth of his  
4 average final compensation multiplied by the number of years of his  
5 creditable service, or 2% of his average final compensation multiplied  
6 by the number of years of his creditable service up to 30 plus 1% of his  
7 average final compensation multiplied by the number of years of  
8 creditable service over 30, or 50% of his final compensation if the  
9 member has established 20 or more years of creditable service,  
10 whichever is greater.

11 (3) Any member of the retirement system as of the effective date  
12 of P.L. , c. (now pending before the Legislature as this bill) who  
13 has 20 or more years of creditable service at the time of retirement  
14 shall be entitled to <sup>1</sup>receive a retirement allowance equal to <sup>1</sup> 50% of  
15 the member's final compensation plus<sup>1</sup>, in the case of a member  
16 required to retire pursuant to the provisions of subsection (1) of this  
17 section, <sup>1</sup> 3% of final compensation multiplied by the number of years  
18 of creditable service over 20 but not over 25.

19 **[(3)]** (4) Upon the receipt of proper proofs of the death of a  
20 member who has retired on a service retirement allowance, there shall  
21 be paid to his beneficiary an amount equal to one-half of the  
22 compensation upon which contributions by the member to the annuity  
23 savings fund were based in the last year of creditable service.  
24 (cf: P.L.1973, c.109, s.1)

25

26 3. Section 6 of P.L.1944, c.255 (C.43:16A-6) is amended to read  
27 as follows:

28 6. (1) Upon the written application by a member in service, by one  
29 acting in his behalf or by his employer, any member, under 55 years of  
30 age, who has had **[(five)]** four or more years of creditable service may  
31 be retired on an ordinary disability retirement allowance; provided,  
32 that the medical board, after a medical examination of such member,  
33 shall certify that such member is mentally or physically incapacitated  
34 for the performance of his usual duty and of any other available duty  
35 in the department which his employer is willing to assign to him and  
36 that such incapacity is likely to be permanent and to such an extent  
37 that he should be retired.

38 (2) Upon retirement for ordinary disability, a member shall receive  
39 an ordinary disability retirement allowance which shall consist of:

40 (a) An annuity which shall be the actuarial equivalent of his  
41 aggregate contributions and

42 (b) A pension in the amount which, when added to the member's  
43 annuity, will provide a total retirement allowance of 1 1/2 % of  
44 **[(average)]** final compensation multiplied by his number of years of  
45 creditable service but in no event shall the total allowance be less than  
46 40% of the member's **[(average)]** final compensation.

1     (3) Notwithstanding the provisions of subsection (2) of this  
2 section, a member who has more than 20 but less than 25 years of  
3 creditable service and who is required to retire upon application by the  
4 employer on or after the effective date of P.L. , c. (now pending  
5 before the Legislature as this bill), shall receive an ordinary disability  
6 retirement allowance which shall consist of:

7     (a) An annuity which shall be the actuarial equivalent of the  
8 member's aggregate contributions; and

9     (b) A pension in the amount which, when added to the member's  
10 annuity, will provide a total retirement allowance of 50% of final  
11 compensation plus 3% of final compensation multiplied by the number  
12 of years of creditable service over 20 but not over 25.

13     **[(3)]** (4) Upon the receipt of proper proofs of the death of a  
14 member who has retired on an ordinary disability retirement allowance,  
15 there shall be paid to such member's beneficiary, an amount equal to  
16 3 1/2 times the compensation upon which contributions by the member  
17 to the annuity savings fund were based in the last year of creditable  
18 service; provided, however, that if such death shall occur after the  
19 member shall have attained 55 years of age the amount payable shall  
20 equal 1/2 of such compensation instead of 3 1/2 times such  
21 compensation.

22 (cf: P.L.1989, c.204, s.2)

23  
24     4. Section 8 of P.L.1944, c.255 (C.43:16A-8) is amended to read  
25 as follows:

26     8. (1) Upon the receipt by the retirement system of a written  
27 application for a disability retirement allowance, the system shall refer  
28 the application to the medical board, which shall designate a physician  
29 or physicians to examine the applicant and the report of the medical  
30 board shall be considered by the board of trustees in acting upon such  
31 application.

32     (2) Any beneficiary under the age of 55 years who has been retired  
33 on a disability retirement allowance under this act, on his request shall,  
34 or upon the request of the retirement system may, be given a medical  
35 examination and he shall submit to any examination by a physician or  
36 physicians designated by the medical board once a year for at least a  
37 period of 5 years following his retirement in order to determine  
38 whether or not the disability which existed at the time he was retired  
39 has vanished or has materially diminished. If the report of the medical  
40 board shall show that such beneficiary is able to perform either his  
41 former duty or any other available duty in the department which his  
42 employer is willing to assign to him, the beneficiary shall report for  
43 duty; such a beneficiary shall not suffer any loss of benefits while he  
44 awaits his restoration to active service. If the beneficiary fails to  
45 submit to any such medical examination or fails to return to duty  
46 within 10 days after being ordered so to do, or within such further

1 time as may be allowed by the board of trustees for valid reason, as the  
2 case may be, the pension shall be discontinued during such default.

3 (3) (Deleted by amendment.)

4 (4) If a disability beneficiary is restored to active service, his  
5 retirement allowance and the right to any death benefit as a result of  
6 his former membership, shall be canceled until he again retires.

7 Such person shall be reenrolled in the retirement system and shall  
8 contribute thereto at a rate based on his age at the time of prior  
9 enrollment. Such person shall be treated as an active member for  
10 determining disability or death benefits while in service.

11 Upon subsequent retirement of such member, he shall receive a  
12 retirement allowance based on all his service as a member computed  
13 in accordance with applicable provisions of this act, but the total  
14 retirement allowance upon subsequent retirement shall not be a greater  
15 proportion of his average final compensation or final compensation,  
16 whichever is applicable, than the proportion to which he would have  
17 been entitled had he remained in service during the period of his prior  
18 retirement. Any death benefit to which such member shall be eligible  
19 shall be based on his latest retirement.

20 (cf: P.L.1971, c.217, s.9)

21

22 5. Section 9 of P.L.1944, c.255 (C.43:16A-9) is amended to read  
23 as follows:

24 9. (1) Upon the receipt of proper proof of the death of a member  
25 in active service on account of which no accidental death benefit is  
26 payable under section 10 there shall be paid to such member's  
27 **【beneficiary:**

28 (a) The member's aggregate contributions at the time of death and

29 (b) An amount equal to 3 1/2 times the compensation upon which  
30 contributions by the member to the annuity savings fund were based  
31 in the last year of creditable service**】** widow or widower a pension of  
32 50% of final compensation for the use of himself or herself and  
33 children of the deceased member, to continue during his or her  
34 widowhood; if there is no surviving widow or widower or in the case  
35 the widow or widower dies or remarries, 20% of final compensation  
36 will be payable to one surviving child, 35% of final compensation to  
37 two surviving children in equal shares and if there be three or more  
38 children, 50% of final compensation will be payable to such children  
39 in equal shares.

40 In the event of death occurring in the first year of creditable service,  
41 the benefits, payable pursuant to this subsection, shall be computed at  
42 the annual rate of compensation.

43 If there is no widow or widower or child, 25% of final  
44 compensation will be payable to one surviving parent or 40% of final  
45 compensation will be payable to two surviving parents in equal shares.

46 (2) If there is no widow or widower, child or parent, there shall be

1 paid to any other beneficiary of the deceased member his or her  
2 aggregate contributions at the time of death.

3 (3) In no case shall the death benefit provided in subsection (1). be  
4 less than that provided under subsection (2).

5 (4) In addition to the foregoing benefits payable under subsection  
6 (1) or (2), there shall also be paid in one sum to the member's  
7 beneficiary, an amount equal to 3 1/2 times final compensation.

8 **[(2)] (5)** a. For the purposes of this section and section 10 (5), a  
9 member of the Police and Firemen's Retirement System shall be  
10 deemed to be an active member for a period of no more than 93 days  
11 while on official leave of absence without pay when such leave is due  
12 to any reason other than illness, and for a period of not more than one  
13 year in the event of an official leave (a) due to the member's maternity,  
14 or (b) to fulfill a residency requirement for an advanced degree, or (c)  
15 as a full-time student at an institution of higher education, and (1)  
16 while he is disabled due to sickness or injury arising out of or in the  
17 course of his employment as a member to whom this act applies, is not  
18 engaged in any gainful occupation, and is receiving or entitled to  
19 receive periodic benefits (including any commutation of, or substitute  
20 for, such benefits) for loss of time on account of such disability under  
21 or by reason of workmen's compensation law, occupational disease  
22 law or similar legislation and has not retired or terminated his  
23 membership; or (2) for a period of no more than two years while on  
24 official leave of absence without pay if satisfactory evidence is  
25 presented to the retirement system that such leave of absence without  
26 pay is due to the member's personal illness other than an illness to  
27 which (1) above applies.

28 b. If a member dies within 30 days after the date of retirement or  
29 the date of board approval, whichever is later, a death benefit shall be  
30 payable only if he is deemed to be an active member in accordance  
31 with this section; provided, however, a member applying for disability  
32 benefits shall be deemed an active member if he was covered by the  
33 death benefit provisions of the act at the termination of employment,  
34 filed the application for disability retirement with the retirement system  
35 within 30 days following such termination of employment and dies  
36 within 30 days after the date of retirement or the date of board  
37 approval, whichever is later. If a member files an application for  
38 disability retirement while in service and otherwise meets the  
39 requirements for disability retirement, but dies before the retirement  
40 takes effect, the retirement shall be considered effective.

41 (cf: P.L.1995, c.47, s.1)

42

43 6. Section 17 of P.L.1964, c.241 (C.43:16A-11.2) is amended to  
44 read as follows:

45 17. Should a member, after having established 10 years of  
46 creditable service, be separated voluntarily or involuntarily from the



1 service, before reaching age 55, and not by removal for cause on  
2 charges of misconduct or delinquency, such person may elect to  
3 receive the payments provided for in section 11 of P.L.1944, c. 255 or  
4 section 16 of P.L.1964, c. 241, or a deferred retirement allowance,  
5 beginning on the first day of the month following his attainment of age  
6 55 and the filing of an application therefor, which shall consist of:

7 (1) An annuity which shall be the actuarial equivalent of his  
8 aggregate contributions at the time of his severance from the service  
9 and

10 (2) A pension in the amount which, when added to the member's  
11 annuity, will provide a total retirement allowance of 2% of **【his**  
12 **average】** the member's final compensation multiplied by the number  
13 of years of **【his】** creditable service up to 30 plus 1% of **【his average】**  
14 final compensation multiplied by the number of years of creditable  
15 service over 30, provided that such inactive member may elect to  
16 receive payments provided under section 11 of P.L.1944, c.255 or  
17 section 16 of P.L.1964, c. 241 if **【he】** the member had qualified under  
18 that section at the time of leaving service, except that in order to avail  
19 himself or herself of the option, **【he】** the member must exercise such  
20 option at least 30 days before the effective date of **【his】** retirement.  
21 If such inactive member shall die before attaining age 55, **【his】** the  
22 member's aggregate contributions shall be paid in accordance with  
23 section 11 of P.L.1944, c.255 and, in addition if such inactive member  
24 shall die after attaining age 55 but before filing an application for  
25 retirement benefits pursuant to this section or section 16 of P.L.1964,  
26 c.241 and has not withdrawn his or her aggregate contributions, or in  
27 the event of death after retirement, an amount equal to one-half of the  
28 compensation upon which contributions by the member to the annuity  
29 savings fund were based in the last year of creditable service shall be  
30 paid to such member's beneficiary.

31 Any member who, having elected to receive a deferred retirement  
32 allowance, again becomes an employee covered by the retirement  
33 system while under the age of 55, shall thereupon be reenrolled. If he  
34 had discontinued his service for more than 2 consecutive years,  
35 subsequent contributions shall be at his former rate increased for the  
36 years of his inactive membership. He shall be credited with all service  
37 as a member standing to his credit at the time of his election to  
38 receive a deferred retirement allowance.

39 (cf: P.L.1981, c.177, s.5)

40

41 7. Section 26 of P.L.1967, c.250 (C.43:16A-12.1) is amended to  
42 read as follows:

43 26. a. Upon the death after retirement of any member of the  
44 retirement system there shall be paid to **【his】** the member's widow or  
45 widower a pension of 50% of **【average】** final compensation for the

1 use of herself or himself, to continue during her or his widowhood,  
2 plus 15% of such compensation payable to one surviving child or an  
3 additional 25% of such compensation to two or more children; if there  
4 is no surviving widow or widower or in case the widow or widower  
5 dies or remarries, 20% of **【average】** final compensation will be  
6 payable to one surviving child, 35% of such compensation to two  
7 surviving children in equal shares and if there be three or more  
8 children, 50% of such compensation would be payable to such children  
9 in equal shares.

10 b. The increased pension benefits payable under this act shall apply  
11 only to cases where such policeman or fireman retires on or after  
12 December 18, 1967 and shall not affect pensions paid or to be paid as  
13 a result of retirements occurring prior to said date. The increased  
14 pension benefits payable under this subsection of this 1991 amendatory  
15 and supplementary act shall apply only to pension benefits payable on  
16 or after the effective date of this 1991 amendatory and supplementary  
17 act, P.L.1991, c.511 (C.43:3B-8.4 et al.).

18 c. As of the effective date of this 1991 amendatory and  
19 supplementary act, P.L.1991, c.511 (C.43:3B-8.4 et al.), all widows'  
20 and widowers' pensions previously granted or to be granted pursuant  
21 to the provisions of subsection a. of this section or section 10 of  
22 chapter 255 of the laws of 1944, as amended, and all such pensions  
23 previously granted, or to be granted where retirement for accidental  
24 disability occurred prior to December 18, 1967, pursuant to the  
25 provisions of section 7(3) of chapter 255 of the laws of 1944 prior to  
26 the amendment of that section by P.L.1967, c.250, will be subject to  
27 a minimum, annual, aggregate payment of \$4,500. The increased  
28 pension benefits payable under this subsection of this 1991 amendatory  
29 and supplementary act shall apply only to pension benefits payable on  
30 or after the effective date of this 1991 amendatory and supplementary  
31 act, P.L.1991, c.511 (C.43:3B-8.4 et al.).

32 d. The State shall reimburse local governments for additional  
33 pension costs arising from any increase in the annual pension payable  
34 to a widow or widower pursuant to this section of this 1991  
35 amendatory and supplementary act, P.L.1991, c.511 (C.43:3B-8.4 et  
36 al.).

37 (cf: P.L.1991, c.511, s.1)

38

39 8. Section 20 of P.L.1971, c.175 (C.43:16A-15.3) is amended to  
40 read as follows:

41 20. If a former member of the retirement system who has been  
42 granted a retirement allowance for any cause other than disability,  
43 becomes employed again in a position which makes him eligible to be  
44 a member of the retirement system, his retirement allowance and the  
45 right to any death benefit as a result of his former membership, shall  
46 be canceled until he again retires.

1 Such person shall be reenrolled in the retirement system and shall  
2 contribute thereto at a rate based on his age at the time of  
3 reenrollment. Such person shall be treated as an active member for  
4 determining disability or death benefits while in service. Upon  
5 subsequent retirement of such member, his former retirement  
6 allowance shall be reinstated based on his former membership. In  
7 addition, he shall receive an additional retirement allowance based on  
8 his subsequent service as a member computed in accordance with  
9 applicable provisions of this chapter; provided, however, that his total  
10 retirement allowance upon such subsequent retirement shall not be a  
11 greater proportion of his average final compensation or final  
12 compensation, whichever is applicable, than the proportion to which  
13 he would have been entitled had he remained in service during the  
14 period of his prior retirement. Any death benefit to which such  
15 member shall be eligible shall be based on his latest retirement, but  
16 shall not be less than the death benefit that was applicable to his  
17 former retirement.

18 (cf: P.L.1971, c.175, s.20)

19

20 19. (New section) The State shall be liable for all costs to the  
21 retirement system attributable to any increase in benefits pursuant to  
22 the amendatory provisions of P.L. \_\_\_\_\_, c. \_\_\_\_\_ (now pending before the  
23 Legislature as this bill), and no adjustment in the normal or accrued  
24 liability contribution of employers under the system shall be made in  
25 respect of such costs. The State shall pay the liability as follows:

26 a. At the time of a member's retirement from the retirement system,  
27 the retirement system shall compute, in the case of a retirant under the  
28 provisions of section 5 or section 6 of P.L.1944, c.255 (C.43:16A-5  
29 or -6) or section 17 of P.L.1964, c.241 (C.43:16A-11.2) as amended,  
30 respectively, by section 2, section 3 and section 6 of that P.L. \_\_\_\_\_,  
31 c. \_\_\_\_\_, the actuarial present value of the member's retirement allowance,  
32 and in the case of any retirant, the actuarial present value of any  
33 survivorship benefit payable with respect to the retirant under the  
34 provisions of section 9 of P.L.1944, c.255 (C.43:16A-9) or section 26  
35 of P.L.1967, c.250 (C.43:16A-12.1) as amended, respectively, by  
36 section 5 and section 7 of that P.L. \_\_\_\_\_, c. \_\_\_\_\_. If the actuarial present  
37 value of the survivorship benefit plus, if appropriate, the actuarial  
38 present value of the retirement allowance exceeds the total of the  
39 accumulated employee and employer contributions, plus interest,  
40 attributable to the member's service (reduced, in the case of a person  
41 retiring other than under the provisions of section 5 or section 6 of  
42 P.L.1944, c.255 (C.43:16A-5 or -6) or section 17 of P.L.1964, c.241  
43 (C.43:16A-11.2), by the actuarial present value of the member's  
44 retirement allowance), the State shall pay to the retirement system, not  
45 later than the 90th day following the member's retirement, the amount  
46 of the difference.

1     b. Upon the death of a member of the retirement system in active  
2 service, or of a former member of the retirement system who shall  
3 have retired prior to the effective date of that P.L. , c. , the  
4 retirement system shall compute the actuarial present value, as of the  
5 date of the former member's death, of any survivorship benefit payable  
6 with respect to the retirant under the provisions of section 9 of  
7 P.L.1944, c.255 (C.43:16A-9) or section 26 of P.L.1967, c.250  
8 (C.43:16A-12.1) as amended, respectively, by section 5 and section 7  
9 of that P.L. , c. . If the actuarial present value of the survivorship  
10 benefit exceeds the present value, as of the date of death, of that  
11 portion of the total of the accumulated employee and employer  
12 contributions (including interest) attributable to the member's service  
13 that represents the reserve established to fund the survivorship benefit  
14 provided under those respective sections, then the State shall pay to  
15 the retirement system, not later than the 90th day following the former  
16 member's death, the amount of the difference.<sup>1</sup>

17

18     <sup>1</sup>[9.] 10.<sup>1</sup> This act shall take effect immediately.

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23     Enhances retirement benefits for PFRS members.