

SENATE, No. 3427

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 10, 2024

Sponsored by:

Senator BRITNEE N. TIMBERLAKE

District 34 (Essex)

Senator M. TERESA RUIZ

District 29 (Essex and Hudson)

SYNOPSIS

Permits companion to receive PFRS accidental death pension when there is no surviving spouse; requires adjustment of final compensation for calculation of accidental death benefit for surviving spouse, companion, and children of PFRS members.

CURRENT VERSION OF TEXT

As introduced.



S3427 TIMBERLAKE, RUIZ

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1 AN ACT concerning accidental death benefits for survivors of
2 members of the Police and Firemen's Retirement System of New
3 Jersey, and amending P.L.1944, c.255.

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

7
8 1. Section 10 of P.L.1944, c.255 (C.43:16A-10) is amended to
9 read as follows:

10 10. (1) Upon the death of a member in active service as a result
11 of:

12 (a) an accident met in the actual performance of duty at some
13 definite time and place, or

14 (b) service in the reserve component of the Armed Forces of the
15 United States or the National Guard in a federal active duty status,
16 and such death was not the result of the member's willful
17 negligence, an accidental death benefit shall be payable if a report
18 of the accident is filed in the office of the retirement system within
19 60 days next following the accident, but the board of trustees may
20 waive such time limit, for a reasonable period, if in the judgment of
21 the board the circumstances warrant such action. No such
22 application shall be valid or acted upon unless it is filed in the
23 office of the retirement system within five years of the date of such
24 death.

25 The provisions of this subsection shall also apply to a member
26 who is a fireman and who dies as a result of an accident met in the
27 actual performance of duty as a volunteer fireman in any
28 municipality in the State, provided the member's death was not the
29 result of the member's willful negligence.

30 (2) Upon the receipt of proper proofs of the death of a member
31 on account of which an accidental death benefit is payable, there
32 shall be paid to his widow or widower a pension of 70% of the
33 compensation upon which contributions by the member to the
34 annuity savings fund were based in the last year of creditable
35 service, or of adjusted final compensation, as appropriate, or a
36 pension of \$50,000 when death occurs on or after the effective date
37 of P.L.2020, c.151, whichever is greater, for the use of herself or
38 himself and the children of the deceased member. **[; if]** If there is
39 no surviving widow or widower, 70% of such compensation or
40 adjusted final compensation, or a pension of \$50,000, whichever is
41 greater, shall be paid to the member's companion as defined herein.
42 If there is no surviving widow or widower or in case the widow or
43 widower dies or if there is no companion or in the case the
44 companion dies, 70% of such compensation, or adjusted final

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 compensation, as the case may be, will be payable to the member's
2 surviving child or surviving children in equal shares.

3 If there is no surviving widow, widower, companion, or child,
4 25% of the compensation upon which contributions by the member
5 to the annuity savings fund were based in the last year of creditable
6 service, will be payable to one surviving dependent parent or 40%
7 of such compensation will be payable to two surviving parents in
8 equal shares.

9 As used in this section, "adjusted final compensation" means the
10 amount of compensation upon which contributions by the member
11 to the annuity savings fund were based in the last year of creditable
12 service or final compensation as adjusted, as the case may be,
13 increased by the same percentage increase which is applied in any
14 adjustments of the compensation schedule of active members after
15 the member's death and before the date on which the deceased
16 member of the retirement system would have accrued 25 years of
17 service under an assumption of continuous service, at which time
18 the amount resulting from such increases shall become fixed and
19 shall be the basis for any adjustments pursuant to the Pension
20 Adjustment Act, P.L.1958, c.143 (C.43:3B-1 et seq.). Any
21 adjustments to compensation or adjusted final compensation shall
22 take effect at the same time as any adjustments in the compensation
23 schedule of active members. The provisions of the Pension
24 Adjustment Act shall not apply to any pension based upon adjusted
25 final compensation other than the fixed pension in effect at the
26 conclusion of the 25-year period.

27 In the event of accidental death occurring in the first year of
28 creditable service, the benefits, payable pursuant to this subsection,
29 shall be computed at the annual rate of compensation.

30 (3) If there is no surviving widow, widower, companion, child
31 or dependent parent, there shall be paid to any other beneficiary of
32 the deceased member, his aggregate contributions at the time of
33 death.

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

36 (5) In addition to the foregoing benefits payable under
37 subsection (2) or (3), there shall also be paid in one sum to such
38 beneficiary, if living, as the member shall have nominated by
39 written designation duly executed and filed with the retirement
40 system, otherwise to the executor or administrator of the member's
41 estate, an amount equal to 3 1/2 times the compensation upon which
42 contributions by the member to the annuity savings fund were based
43 in the last year of creditable service.

44 (6) In addition to the foregoing benefits, the State shall pay to
45 the member's employer-sponsored health insurance program all
46 health insurance premiums for the coverage of the member's
47 surviving widow or widower and dependent children.

1 (7) The adjustment in survivors' benefits pursuant to the
2 amendment to subsection (2) of this section made by P.L. , c.
3 (pending before the Legislature as this bill) shall apply to benefit
4 entitlements granted prior to and in effect on the effective date of
5 P.L. , c. (pending before the Legislature as this bill), but only for
6 benefit payments made after that effective date. No surviving
7 spouse, surviving companion, or surviving child of a deceased
8 member of the retirement system shall be granted a retroactive
9 payment based upon the difference between the benefit the person
10 would have received if the adjustment had been applicable at the
11 date of entitlement and the benefit that the surviving spouse,
12 surviving companion, or surviving child has received from the date
13 of entitlement to that effective date.

14 (8) When the death of a member occurred on or after January 1,
15 2023 but prior to the effective date of P.L. , c. (pending before
16 the Legislature as this bill) and the member did not have a surviving
17 spouse, children, or dependent parents at the time of death, or if the
18 member's aggregate contributions have not been paid to a
19 beneficiary or the estate, or have been returned to the retirement
20 system, a companion as defined herein may apply to receive the
21 accidental death pension as set forth in subsection 2 of this section
22 and, if approved, the pension shall be made retroactive to the date
23 of death of the member. The surviving companion may file, no
24 later than six months following that effective date, the proper proofs
25 of death of the member for which an accidental death benefit is
26 payable and an application for an accidental death pension pursuant
27 to this section.

28 (9) As used in this act, "companion" means an individual who:
29 was of legal age and capable of giving consent when the
30 individual entered into a cohabiting relationship with the deceased
31 member;

32 was not legally married or in a legal civil union with another
33 person during the period of cohabitation;

34 cohabitated with the deceased member for a period of at least
35 two years and was still cohabitating with the member at the time of
36 the member's death;

37 consented to the duties and obligations of the household as
38 evidenced by money being transferred to the member for household
39 expenses or by paying household expenses directly; and

40 was generally reputed in public appearance with the member as
41 the equivalent of a legal spouse in a marriage.

42 Cohabitation of the member and the companion may be verified
43 by notarized sworn statements of relatives of the deceased member,
44 neighbors of the address of the cohabitants at the time of the
45 member's death, or another adult member of the household during
46 the period of cohabitation.

47 (cf: P.L.2020, c.151, s.2)

1 2. This act shall take effect immediately.

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STATEMENT

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6 Under current law, the surviving spouse of a member of the
7 Police and Firemen's Retirement System of New Jersey (PFRS)
8 who died in the line of duty receives a pension of 70 percent of the
9 member's compensation, or a minimum of \$50,000 annually, during
10 the life of that spouse. If there is no surviving spouse, the pension
11 of 70 percent of final compensation is paid to the member's
12 surviving children. This bill requires that the amount of the
13 compensation be adjusted for a period of time after the death of the
14 member, thereby increasing the annual pension for surviving
15 spouses and children.

16 The compensation will be increased by the same percentage
17 increase which is applied in any adjustments of the compensation
18 schedule of active members after the member's death and before the
19 date on which the deceased member of the retirement system would
20 have accrued 25 years of service under an assumption of continuous
21 service. At 25 years, the amount resulting from such increases will
22 become fixed and be the basis for any increases for cost of living
23 granted thereafter. Any adjustments will take effect at the same
24 time as any adjustments in the compensation schedule of active
25 members. The bill provides that adjustments to PFRS accidental
26 death survivors' pension would apply to those granted prior to
27 effective date of the bill but only for payments made on or after the
28 effective date of the bill.

29 In addition, this bill permits that same pension of 70 percent of
30 compensation to be paid to a companion of a member who died in
31 the line of duty on or after January 1, 2023. A companion is
32 defined in the bill.

33 The bill permits a companion of a member who died before the
34 bill's effective date to file, within six months after the bill's
35 effective date, an application for an accidental death pension, and if
36 approved, the pension will be made retroactive to the date of the
37 member's death. The companion of a member who died before the
38 effective date of the bill may apply for a pension only if the
39 deceased member did not have a surviving spouse, children, or
40 dependent parents at the time of death, or if the member's aggregate
41 contributions have not been paid to a beneficiary or the estate, or
42 have been returned to the retirement system.