

CHAPTER 74

AN ACT concerning additional death benefit coverage for members of the Judicial Retirement System and amending P.L.1997, c.205.

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

1. Section 1 of P.L.1997, c.205 (C.43:6A-17.1) is amended to read as follows:

C.43:6A-17.1 Additional death benefit for members of Judicial Retirement System.

1. a. Each member of the retirement system on the effective date of any insurance contract or program approved by the State House Commission will be eligible to purchase the additional death benefit coverage hereinafter described, provided the member selects such coverage within 90 days after that effective date.

b. A person becoming a member of the retirement system after the effective date of any insurance contract or program approved by the State House Commission who on the date of becoming a member is less than 60 years of age shall automatically be covered for such additional death benefit coverage from the first day of membership on which the person is actively at work and performing all regular duties at the customary place of employment. Such automatic coverage shall continue during the member's first year of membership, and during that year the member shall make contributions as fixed by the retirement system. Additional death benefit coverage for the member shall continue in effect after the first year of membership on the continuance of payment of the required contributions therefor.

c. A person becoming a member of the retirement system after the effective date of any insurance contract or program approved by the State House Commission who on the date of becoming a member is 60 or more years of age may, within one year from the date of membership, elect to purchase such additional death benefit coverage, provided that the member furnishes satisfactory evidence of insurability and on the date of such election is actively at work and performing all regular duties at the customary place of employment.

d. Notwithstanding other provisions of this section relating to the amount of death benefit applicable to a member who has acquired or shall acquire additional death benefit coverage, the death benefit payable in the event of death occurring on or after the effective date of any insurance contract or program approved by the State House Commission and during the first year of membership shall be based upon the member's annual base salary. The effective date of coverage of any person electing to purchase additional death benefit coverage pursuant to the provisions of subsection a. or c. of this section shall be the first day of the month immediately following the date of such election unless evidence of insurability is required as a condition of such election in which event the effective date of coverage shall be the first day of the month which immediately follows the later of (1) the date of such election, or (2) the date such evidence is determined to be satisfactory.

e. The State House Commission shall establish schedules of contributions to be made by the members who elect to purchase the additional death benefit coverage. Such contributions shall be so computed that the contributions made by or on behalf of all covered members in the aggregate shall be sufficient to provide for the cost of the benefits provided under this section. Such schedules of contributions shall be subject to adjustment from time to time by the commission, as the need may appear.

f. Upon the receipt of proper proofs of the death in service of any such member while covered for the additional death benefit coverage there shall be paid to such person, if living, as the member shall have nominated by written designation duly executed and filed with the retirement system, otherwise to the executor or administrator of the member's estate, an amount equal to one and one-half times the compensation received by the member in the last year of creditable service or some lesser or greater amount as may be provided by the insurance contract or program.

g. The contributions of a member for the additional death benefit coverage shall be deducted from the member's compensation, but if there is no compensation from which such contributions may be deducted it shall be the obligation of the member to make such contributions directly to the retirement system or as directed by the State House Commission.

h. Any other provision of P.L.1973, c.140 (C.43:6A-1 et seq.) notwithstanding, the contributions of a member for the additional death benefit coverage under this section shall not

be returnable to the member or the member's beneficiary in any manner, or for any reason whatsoever, nor shall any contributions made for the additional death benefit coverage be included in any annuity payable to any such member or beneficiary.

i. A member who has elected to purchase the additional death benefit coverage provided by this section may file with the retirement system, and alter from time to time during the member's lifetime as desired, a duly attested nomination of the payee of the death benefit provided under this section. Such member may also file with the retirement system, and alter from time to time during the member's lifetime as desired, a request directing payment of said benefit in one sum or in equal annual installments over a period of years or as a life annuity. Any such nomination or request shall be made in writing on a form satisfactory to the retirement system and shall be effective upon receipt by the retirement system. Upon the death of such member, a beneficiary to whom a benefit is payable in one sum may elect to receive the amount payable in equal annual installments over a period of years or as a life annuity. If more than one beneficiary is nominated and the member has not specified their respective interests, the beneficiaries shall share equally. If any beneficiary predeceases the member, the interest of that beneficiary shall terminate and shall be shared equally by such of the beneficiaries as survive the member unless the member has made written request to the contrary in the beneficiary nomination. Any amounts due for which there is no beneficiary at the death of the member or beneficiary shall be payable to the estate of the member or beneficiary.

j. All other provisions of this section notwithstanding, this section and the benefits provided under this section shall not come into effect until a required percentage of the members shall have applied for the additional death benefit coverage under this section. This required percentage shall be fixed by the State House Commission. Applications for such additional death benefit coverage shall be submitted to the secretary of the commission, or such other person as the commission may designate, in such manner and upon such forms as the commission shall provide. The benefits, rights and options of members and their beneficiaries shall be limited to and governed by the provisions of any insurance contract or program approved by the commission, subject to the provisions of this section.

2. This act shall take effect immediately.

Approved April 30, 2001.