

[Second Reprint]

**SENATE, No. 3275**

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**STATE OF NEW JERSEY**  
**217th LEGISLATURE**

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INTRODUCED MAY 25, 2017

**Sponsored by:**

**Senator STEPHEN M. SWEENEY**

**District 3 (Cumberland, Gloucester and Salem)**

**Senator LINDA R. GREENSTEIN**

**District 14 (Mercer and Middlesex)**

**SYNOPSIS**

Concerns health insurance benefits for locked-out workers.

**CURRENT VERSION OF TEXT**

As reported by the Senate Budget and Appropriations Committee on June 15, 2017, with amendments.



**(Sponsorship Updated As Of: 6/27/2017)**

1 AN ACT concerning health insurance benefits for locked-out  
2 workers and supplementing Title 34 of the Revised Statutes.

3

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

6

7 1. a. There is established in the Department of Labor and  
8 Workforce Development a nonlapsing, revolving fund to be known  
9 as the Working Family Health Security Fund. The fund shall be  
10 administered by the commissioner, and shall be credited with  
11 moneys received pursuant to section <sup>2</sup>~~3~~<sup>2</sup> of this act. The  
12 moneys in the fund shall be invested and reinvested by the Director  
13 of the Division of Investment in the Department of the Treasury as  
14 are other trust funds in the custody of the State Treasurer in the  
15 manner provided by law. Interest received on the moneys in the  
16 fund shall be credited to the fund.

17 b. The purpose of the fund is to administer assistance in the  
18 form of the moneys needed for individuals to pay for continuation  
19 coverage under the COBRA continuation provision under the  
20 following circumstances:

21 (1) the individual is an employee of an employer that provides a  
22 health benefits plan to its employees in this State, including the  
23 individual;

24 (2) the health insurance coverage for the individual is being  
25 discontinued by the employer because of a stoppage of work which  
26 exists because of a labor dispute at the factory, establishment, or  
27 other premises at which the employee is or was last employed and  
28 the employer has prevented the employee from working, even  
29 though the employee's recognized or certified majority  
30 representative has directed the employees in the collective  
31 bargaining unit to work under the preexisting terms and conditions  
32 of employment, and the employees had not engaged in a strike  
33 immediately before being prevented from working; and

34 (3) the individual files an application on a form provided by the  
35 commissioner demonstrating the individual meets the requirements  
36 of this act to qualify for the assistance.

37 c. The employer shall provide the commissioner with all  
38 information, including information regarding costs of the health  
39 insurance coverage, deemed necessary by the commissioner to  
40 implement the provisions of this act, and shall comply with the  
41 directives of the commissioner regarding the timely facilitation of  
42 the COBRA extension.

43 d. Payments by the fund shall be discontinued whenever the  
44 <sup>1</sup>~~employer reinstates the insurance coverage with the employer~~

**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>Senate SLA committee amendments adopted June 1, 2017.

<sup>2</sup>Senate SBA committee amendments adopted June 15, 2017.

1 paying its previous share of the cost of the coverage] work  
2 stoppage is ended<sup>1</sup>.

3  
4 2. For the purpose of providing the moneys necessary to  
5 establish and meet the purposes of the fund, there is established a  
6 five cent annual surcharge per employee for all employers who are  
7 subject to the "unemployment compensation law," R.S.43:21-1 et  
8 seq., except that the surcharge shall not be collected during any year  
9 for which the balance of the fund was more than \$5 million as of  
10 September 1 of the immediately preceding year. The surcharge  
11 shall be collected by the controller for the unemployment  
12 compensation fund and paid over to the State Treasurer for deposit  
13 in the fund annually.

14  
15 3. As used in this act:  
16 "Carrier" means an entity that contracts or offers to contract to  
17 provide, deliver, arrange for, pay for, or reimburse any of the costs  
18 of health care services under a health benefits plan, including: an  
19 insurance company authorized to issue health benefits plans; a  
20 health maintenance organization; a health, hospital, or medical  
21 service corporation; a multiple employer welfare arrangement; an  
22 entity providing or administering a self-funded health benefits plan;  
23 an entity under contract with the State Health Benefits Program and  
24 the School Employees' Health Benefits Program to administer a  
25 health benefits plan; or any other entity providing a health benefits  
26 plan.

27 "Commissioner" means the Commissioner of Labor and  
28 Workforce Development.

29 "Fund" means the Working Family Health Security Fund  
30 established by this act.

31 "Health benefits plan" means a benefits plan which pays or  
32 provides hospital and medical expense benefits for covered  
33 services, and is delivered or issued for delivery in this State by or  
34 through a carrier.

35  
36 4. In accordance with the "Administrative Procedure Act,"  
37 P.L.1968, c.410 (C.52:14B-1 et seq.), the commissioner, in  
38 consultation with the Commissioner of Banking and Insurance,  
39 shall promulgate rules and regulations necessary to carry out the  
40 purposes of this act.

41  
42 5. This act shall take effect 90 days after its enactment, except  
43 that the commissioner shall have power immediately to promulgate  
44 rules and regulations, appoint officers and employees, and fix their  
45 compensation, as may be necessary to carry out the provisions of  
46 this act, and do those other things necessary to enforce the  
47 provisions of this act.