

ASSEMBLY, No. 141

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman JONES

1 AN ACT concerning the terms of coverage for health benefits of
2 certain retired municipal employees and their dependents.

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

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7 1. Notwithstanding the provisions of N.J.S.40A:10-23 or any other
8 law to the contrary, in the case of any municipality in which there shall
9 have been in effect for at least six consecutive months during the
10 12-month period ending June 1, 1995 a health insurance plan covering
11 employees of the municipality, under which plan the employer has
12 assumed all or part of the cost of coverage and responsibility for
13 payment in full or in part of the premiums for employees who retire
14 from the service of that municipality without having met the
15 requirements for such coverage under N.J.S.40A:10-23, and their
16 dependents, the municipality may, by ordinance of the governing body
17 adopted not later than the 90th day following the effective date of this
18 act, assume the liability for the cost of continuing to provide that
19 coverage to, and thereupon shall pay the premiums for, former
20 employees of the municipality who retired from such employment on
21 or before June 1, 1995 and prior to the attainment of age 62, and
22 including the premiums for coverage of the dependents of those former
23 employees, except that each of those former employees shall be liable
24 for the periodic payment of such charges as shall have been applicable
25 to that former employee under any schedule of retiree contributions
26 for such coverage in effect with respect to that former employee on
27 June 1, 1995 or the last day prior to that date on which the coverage
28 plan shall have been in effect. In the event that, on or after June 1,
29 1995, or on or after such last day prior to that date, as applicable, and
30 prior to the effective date of such an ordinance, a former employee
31 entitled to paid or part-paid coverage under this section shall have paid
32 any charge with respect to such coverage which is in excess of the
33 amount applicable under that schedule, the municipality shall, within
34 30 days of the effective date of the ordinance, reimburse the amount
35 of that excess charge to the former employee.

1 The provisions of this section shall not apply to a former employee
2 who retired on a disability pension or after 25 years' or more service
3 with the employer, or who retired and reached the age of 62 or older
4 with at least 15 years of service with the employer.

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6 2. This act shall take effect immediately.

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STATEMENT

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11 This bill provides that any municipality in which there shall have
12 been in effect for at least six consecutive months during the 12-month
13 period ending June 1, 1995 a health insurance plan covering employees
14 of that municipality and their dependents under which the employer
15 was responsible for paying all or part of the cost of maintaining that
16 coverage after the employees' retirement may by ordinance assume
17 liability for the cost of continuing to provide that coverage to, and
18 thereupon shall pay all of the premiums for, former employees of the
19 municipality who retired from such employment on or before June 1,
20 1995 and prior to having attained age 62, and their dependents. The
21 former employees would, however, be liable for the payment each
22 month of any charges applicable under the schedule of retiree
23 contributions for such coverage in effect on June 1, 1995 or the last
24 day prior to that date on which the coverage plan shall have been in
25 effect. A municipality would have to adopt the legislation not later
26 than the 90th day following the date on which the bill takes effect as
27 law.

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33 Permits certain municipalities to assume liability for cost of continuing
34 to provide paid or part-paid health benefits coverage to certain retired
municipal employees and their dependents.