

ASSEMBLY, No. 1340

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman DeCROCE and Assemblywoman MURPHY

1 AN ACT concerning post-retirement health care benefits of certain  
2 local government employees and amending P.L.1964, c.125.

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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. Section 7 of P.L.1964, c.125 (C.52:14-17.38) is amended to  
8 read as follows:

9 7. The Division of Pensions shall certify to the certifying agent of  
10 each employer electing participation under the program the premium  
11 rates and periodic charges applicable to the coverage provided for  
12 employees and dependents. The participating employer shall remit to  
13 the division all contributions to premiums and periodic charges in  
14 advance of their due dates, subject to the rules and regulations of the  
15 commission.

16 The employer shall reimburse the active employee for his premium  
17 charges under Part B of the federal Medicare Program covering the  
18 employee and the employee's spouse.

19 From funds allocated therefor, the employer other than the State  
20 may pay all or a portion of the premium or periodic charges for the  
21 benefits provided to a retired employee and his dependents covered  
22 under the program, if such employee retired from a State or  
23 locally-administered retirement system on a benefit based on 25 years  
24 or more of service credited in such retirement system, excepting the  
25 employee who elected deferred retirement, but including the employee  
26 who retired on a disability pension based on fewer years of service  
27 credited in such retirement system, and may also reimburse such  
28 retired employee for his premium charges under Part B of the federal  
29 Medicare Program covering the retired employee and the employee's  
30 spouse. The participating employer, in an appropriate resolution  
31 adopted therefor, shall state what portion of the premium or periodic  
32 charges for the benefits provided to a retired employee and dependents

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 it will pay. "Retired employee and his dependents" may, upon  
2 adoption of an appropriate resolution therefor by the participating  
3 employer, also include otherwise eligible employees, and their  
4 dependents, who retired from a State or locally-administered  
5 retirement system prior to the date that the employer became a  
6 participating employer in the New Jersey State Health Benefits  
7 Program. The term may also, upon adoption of an appropriate  
8 resolution therefor by the participating employer, include otherwise  
9 eligible employees, and their dependents, who did not elect to continue  
10 coverage in the program during such time after the employer became  
11 a participating employer that the employer did not pay premium or  
12 periodic charges for benefits to retired employees and their dependents  
13 pursuant to this section. Eligibility and enrollment of such employees  
14 and dependents shall be in accordance with such rules and regulations  
15 as may be adopted by the State Health Benefits Commission.

16 The employer other than the State may, by resolution, pay the  
17 premium or periodic charges for the benefits provided to the surviving  
18 spouse of a retired employee and his dependents covered under the  
19 program as provided in this section.

20 (cf: P.L.1987, c.384, s.2)

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22 2. This act shall take effect immediately.

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#### STATEMENT

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27 This bill permits a local government employer participating in the  
28 State Health Benefits Program (SHBP) to pay all or a portion of the  
29 cost of post-retirement health care benefits for qualified retirees and  
30 their dependents. Current law and regulations require that local  
31 government employers who choose to provide post-retirement SHBP  
32 benefits assume the entire cost thereof.

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38 Permits local government employers to pay a portion, rather than all,  
of cost of State Health Benefits Program for qualified retirees.