

ASSEMBLY, No. 1998

STATE OF NEW JERSEY

INTRODUCED MAY 13, 1996

By Assemblymen DeSOPO and COHEN

1 AN ACT concerning State-paid health benefits for certain retirees  
2 under the State Police Retirement System and amending P.L.1961,  
3 c.49.

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

7  
8 1. Section 8 of P.L.1961, c.49 (C.52:14-17.32) is amended to read  
9 as follows:

10 8. a. The basic coverage and the major medical coverage of any  
11 employee, and of his dependents, if any, shall cease upon the  
12 discontinuance of his term of office or employment or upon cessation  
13 of active full-time employment subject to such regulations as may be  
14 prescribed by the commission for limited continuance of basic  
15 coverage and major medical coverage during disability, part-time  
16 employment, leave of absence or lay off, and for continuance of basic  
17 coverage and major medical coverage after retirement, any such  
18 continuance after retirement to be provided at such rates and under  
19 such conditions as shall be prescribed by the commission, subject,  
20 however, to the requirements hereinafter set forth in this section. The  
21 commission may also establish regulations prescribing an extension of  
22 coverage when an employee or dependent is totally disabled at  
23 termination of coverage.

24 b. Rates payable by retired employees for themselves and their  
25 dependents, by active employees for dependents covered by medicare  
26 benefits, and by the State or other employer for an active employee  
27 alone covered by medicare benefits, shall be determined on the basis  
28 of utilization experience according to classifications determined by the  
29 commission, provided, however, that the total rate payable by such  
30 retired employee for himself and his dependents, or by such active  
31 employee for his dependents and the State or other employer for such  
32 active employee alone, for coverage hereunder and for Part B of  
33 medicare, shall not exceed by more than 25%, as determined by the  
34 commission, the total amount which would have been required to have

**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 been paid by him and by the State or other employer for the coverage  
2 maintained had he continued in office or active employment and he and  
3 his dependents were not eligible for medicare benefits. "Medicare" as  
4 used in this act means the coverage provided under Title XVIII of the  
5 Social Security Act as amended in 1965, or its successor plan or plans.

6 c. (1) From funds appropriated therefor, the State shall pay the  
7 premium or periodic charges for the benefits provided to a retired  
8 State employee and his dependents covered under the program, but  
9 not including survivors, if such employee retired from a  
10 State-administered retirement system on a benefit based on 25 years  
11 or more of service credited in such retirement system, excepting the  
12 employee who elected deferred retirement, but including the employee  
13 who retired on a disability pension based on fewer years of service  
14 credited in such retirement system and shall also reimburse such retired  
15 employee for his premium charges under Part B of the federal  
16 medicare program covering the retired employee and the employee's  
17 spouse. In the case of full-time employees of the Rutgers University  
18 Cooperative Extension Service, service credited in the federal Civil  
19 Service Retirement System (5 U.S.C. §8331 et seq.) which was earned  
20 as a result of full-time employment at Rutgers University, may be  
21 considered alone or in combination with service credited in a  
22 State-administered retirement system for the purposes of establishing  
23 the minimum 25-year service requirement to qualify for the benefits  
24 provided in this section. Any full-time employee of the Rutgers  
25 University Cooperative Extension Service who meets the eligibility  
26 requirements set forth in this amendatory act shall be eligible for the  
27 benefits provided in this section, provided that at the time of  
28 retirement such employee was covered by the State Health Benefits  
29 Program and elected to continue such coverage into retirement.

30 (2) Notwithstanding the provisions of this section to the contrary,  
31 from funds appropriated therefor, the State shall pay the premium or  
32 periodic charges for the benefits provided to a retired State employee  
33 and his dependents covered under the program, but not including  
34 survivors, if: (a) the employee retires on or after the effective date of  
35 this 1987 amendatory act; (b) the employee was employed by Rutgers  
36 University prior to January 2, 1955 and remained in continuous service  
37 with Rutgers University until retirement even though the employee (i)  
38 did not join a State-administered retirement system, or, (ii) became a  
39 member of a State-administered retirement system, but accumulated  
40 less than 25 years of credited service; and (c) the employee is covered  
41 by the program at the time of retirement.

42 (3) Notwithstanding the provisions of this section to the contrary,  
43 in the case of an employee of a State college, as described in chapter  
44 64 of Title 18A of the New Jersey Statutes, or of a county college, as  
45 defined in N.J.S.18A:64A-1, service credited in a private defined  
46 contribution retirement plan which was earned as an employee of an

1 auxiliary organization, as defined in section 2 of P.L.1982, c.16  
 2 (C.18A:64-27), at a State or county college shall be considered in  
 3 combination with service credited in a State-administered retirement  
 4 system for the purposes of establishing the minimum 25-year service  
 5 requirement to qualify for the benefits provided in this section,  
 6 provided that the employee is covered by the program at the time of  
 7 retirement.

8 (4) Notwithstanding the provisions of this section to the contrary,  
 9 from funds appropriated therefor, the State shall pay the premium or  
 10 periodic charges for the benefits provided to a retired State employee  
 11 and any dependents covered under the program, but not including  
 12 survivors, if the employee: (a) retired prior to the effective date of  
 13 this act, P.L. , c. (C. ) (now pending before the Legislature as  
 14 this bill), under the State Police Retirement System, established  
 15 pursuant to P.L.1965, c.89 (C.53:5A-1 et seq.), with more than 20 but  
 16 less than 25 years of service credit in the retirement system; (b) was  
 17 subsequently employed by the State in another position or positions  
 18 not covered by the State Police Retirement System; (c) has, in the  
 19 aggregate, at least 30 years of full-time employment with the State;  
 20 and (d) is covered by the program at the time of terminating full-time  
 21 employment with the State.

22 (cf: P.L.1993, c.28, s.1)

23  
 24 2. This act shall take effect immediately.

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 27 STATEMENT

28  
 29 This bill provides State-paid health benefits to a retired State  
 30 employee and any dependents, but not including survivors, if the  
 31 employee: (1) retired prior to the effective date of this act under the  
 32 State Police Retirement System with more than 20 but less than 25  
 33 years of service credit in the retirement system; (2) was subsequently  
 34 employed by the State in another position or positions not covered by  
 35 the State Police Retirement System; (3) has, in the aggregate, at least  
 36 30 years of full-time employment with the State; and (4) is covered by  
 37 the program at the time of terminating full-time employment with the  
 38 State.

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 43 Allows certain SPRS retirees with less than 25 years of service credit  
 44 in the retirement system but 30 or more years of full-time State  
 45 employment to receive State-paid health benefits.