

SENATE, No. 174

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Senator McGREEVEY

1 AN ACT concerning terms of coverage for health benefits of certain
2 retired city employees and their dependents and supplementing
3 chapter 10 of Title 40A of the New Jersey Statutes.

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

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8 1. Notwithstanding the provisions of N.J.S.40A:10-23 or any other
9 law to the contrary, a city having a population of not more than 8,500
10 according to the latest federal decennial census and located in a county
11 of the second class having a population of at least 525,000 according
12 to that census, that shall have established a health insurance plan
13 covering employees in and retirants from the service of that city, and
14 their dependents, may by ordinance of the governing body within three
15 months of the effective date of P.L. , c. (C.)
16 (pending before the Legislature as this bill) assume the liability for the
17 entire cost of continuing to provide that coverage to, and thereupon
18 shall pay all of the premiums for, former employees of the city who
19 retired from employment with the city and who received fully or
20 partially paid health benefits from the city prior to May 1, 1995, and
21 including the premiums for coverage of the dependents of those former
22 employees, except that each of those former employees shall be liable
23 for the payment each month of such charges as shall be applicable to
24 that former employee under the schedule of retiree contributions for
25 such coverage in effect on May 1, 1995. In the event that, on or after
26 May 1, 1995 and prior to the effective date of such an ordinance, a
27 former employee entitled to coverage under this section shall have paid
28 any charge with respect to such coverage which is in excess of the
29 amount applicable under that schedule, the city shall, within 30 days
30 of the effective date of the ordinance, reimburse the amount of that
31 excess charge to the former employee.

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33 2. This act shall take effect immediately.

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3 Permits certain cities to assume liability for cost of continuing to

4 provide fully or partially paid health benefits coverage to certain

5 retirees and their dependents.