

[Passed Both Houses]

SENATE, No. 481

STATE OF NEW JERSEY

INTRODUCED JANUARY 18, 1996

By Senators LITTELL, EWING, Assemblymen DeSopo,
Cohen and Assemblywoman Allen

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:

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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

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 employee for his dependents and the State or other employer for such
2 active employee alone, for coverage hereunder and for Part B of
3 medicare, shall not exceed by more than 25%, as determined by the
4 commission, the total amount which would have been required to have
5 been paid by him and by the State or other employer for the coverage
6 maintained had he continued in office or active employment and he and
7 his dependents were not eligible for medicare benefits. "Medicare" as
8 used in this act means the coverage provided under Title XVIII of the
9 Social Security Act as amended in 1965, or its successor plan or plans.

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

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

46 (3) Notwithstanding the provisions of this section to the contrary,

1 in the case of an employee of a State college, as described in chapter
2 64 of Title 18A of the New Jersey Statutes, or of a county college, as
3 defined in N.J.S.18A:64A-1, service credited in a private defined
4 contribution retirement plan which was earned as an employee of an
5 auxiliary organization, as defined in section 2 of P.L.1982, c.16
6 (C.18A:64-27), at a State or county college shall be considered in
7 combination with service credited in a State-administered retirement
8 system for the purposes of establishing the minimum 25-year service
9 requirement to qualify for the benefits provided in this section,
10 provided that the employee is covered by the program at the time of
11 retirement.

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

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

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28 2. This act shall take effect immediately.

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STATEMENT

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33 This bill provides State-paid health benefits to a retired State
34 employee and any dependents, but not including survivors, if the
35 employee: (1) retired prior to the effective date of this act under the
36 State Police Retirement System with more than 20 but less than 25
37 years of service credit in the retirement system; (2) was subsequently
38 employed by the State in another position or positions not covered by
39 the State Police Retirement System; (3) has, in the aggregate, at least
40 30 years of full-time employment with the State; and (4) is covered by
41 the program at the time of terminating full-time employment with the
42 State.

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3 Allows certain SPRS retirees with less than 25 years of service credit
4 in the retirement system to receive State-paid health benefits.