

SENATE, No. 1293

STATE OF NEW JERSEY

INTRODUCED JUNE 3, 1996

By Senators DiFRANCESCO, EWING, Inverso, Ciesla and
Connors

1 AN ACT concerning health benefits coverage for public employees,
2 amending P.L.1995, c.259, and supplementing Title 18A of the
3 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. Section 36 of P.L.1995, c.259 (C.52:17.31a) is amended to read
9 as follows:

10 36. Notwithstanding the provisions of any other law to the
11 contrary, a county, municipality, or school district which participates
12 in the State Health Benefits Program, established pursuant to
13 P.L.1961, c.49 (C.52:14-17.25 et seq.), may allow any employee who
14 is eligible for coverage as a dependent of the employee's spouse under
15 that program or under another health benefits plan offered by the
16 spouse's employer, whether a public or private employer, to waive
17 coverage under the State Health Benefits Program to which the
18 employee is entitled by virtue of employment with the municipality.
19 The waiver shall be in such form as the Director of the Division of
20 Pensions and Benefits shall prescribe and shall be filed with the
21 division. After such waiver has been filed and for so long as that
22 waiver remains in effect, no premium shall be required to be paid by
23 the county, municipality, or school district for the employee or the
24 employee's dependents. Not later than the 180th day after the date on
25 which the waiver is filed, the division shall refund to the county,
26 municipality, or school district the amount of any premium previously
27 paid by the county, municipality, or school district with respect to any
28 period of coverage which followed the filing date. In consideration of
29 filing such a waiver, a county, municipality, or school district may pay
30 to the employee annually an amount, to be established in the sole
31 discretion of the county, municipality, or school district, which shall
32 not exceed 50% of the amount saved by the county, municipality, or
33 school district because of the employee's waiver of coverage. An

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 who waives coverage shall be permitted to immediately
2 resume coverage if the employee ceases to be covered through the
3 employee's spouse for any reason, including, but not limited to, the
4 retirement or death of the spouse or divorce. An employee who
5 resumes coverage shall repay, on a pro rata basis, any amount received
6 from the county, municipality, or school district which represents an
7 advance payment for a period of time during which coverage is
8 resumed. An employee who wishes to resume coverage shall notify
9 the county, municipality, or school district in writing and file a
10 declaration with the division, in such form as the director of the
11 division shall prescribe, that the waiver is revoked. The decision of a
12 county, municipality, or school district to allow its employees to waive
13 coverage and the amount of consideration to be paid therefor shall not
14 be subject to the collective bargaining process.

15 (cf: P.L.1995, c.259, s.36)

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17 2. Section 37 of P.L.1995, c.259 (C.40A:10-17.1) is amended to
18 read as follows:

19 37. Notwithstanding the provisions of any other law to the
20 contrary, a county or municipality which enters into a contract
21 providing group health care benefits to its employees pursuant to
22 N.J.S.40A:10-16 et seq., may allow any employee who is eligible for
23 coverage as a dependent of the employee's spouse under that plan or
24 another plan, including the State Health Benefits Program established
25 pursuant to P.L.1961, c.49 (C.52:14-17.25 et seq.), offered by the
26 spouse's employer, whether a public or private employer, to waive
27 coverage under the county or municipality's plan to which the
28 employee is entitled by virtue of employment with the county or
29 municipality. The waiver shall be in such form as the county or
30 municipality shall prescribe and shall be filed with the county or
31 municipality. In consideration of filing such a waiver, a county or
32 municipality may pay to the employee annually an amount, to be
33 established in the sole discretion of the county or municipality, which
34 shall not exceed 50% of the amount saved by the county or
35 municipality because of the employee's waiver of coverage. An
36 employee who waives coverage shall be permitted to resume coverage
37 under the same terms and conditions as apply to initial coverage if the
38 employee ceases to be covered through the employee's spouse for any
39 reason, including, but not limited to, the retirement or death of the
40 spouse or divorce. An employee who resumes coverage shall repay,
41 on a pro rata basis, any amount received which represents an advance
42 payment for a period of time during which coverage is resumed. An
43 employee who wishes to resume coverage shall file a declaration with
44 the county or municipality, in such form as the county or municipality
45 shall prescribe, that the waiver is revoked. The decision of a county
46 or municipality to allow its employees to waive coverage and the

1 amount of consideration to be paid therefor shall not be subject to the
2 collective bargaining process.

3 (cf: P.L.1995, c.259, s.37)

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5 3. (New section) Notwithstanding the provisions of any other law
6 to the contrary, a local board of education which enters into a contract
7 providing group health care benefits to its employees pursuant to
8 P.L.1979, c.391 (C.18A:16-12 et seq.) may allow any employee who
9 is eligible for coverage as a dependent of the employee's spouse under
10 that plan or another plan, including the State Health Benefits Program
11 established pursuant to P.L.1961, c.49 (C.52:14-17.25 et seq.),
12 offered by the spouse's employer, whether a public or private
13 employer, to waive coverage under the board of education's plan to
14 which the employee is entitled by virtue of employment with the board.
15 The waiver shall be in such form as the board shall prescribe and shall
16 be filed with the board. In consideration of filing such a waiver, a
17 board may pay to the employee annually an amount, to be established
18 in the sole discretion of the board, which shall not exceed 50% of the
19 amount saved by the board because of the employee's waiver of
20 coverage. An employee who waives coverage shall be permitted to
21 resume coverage under the same terms and conditions as apply to
22 initial coverage if the employee ceases to be covered through the
23 employee's spouse for any reason, including, but not limited to, the
24 retirement or death of the spouse or divorce. An employee who
25 resumes coverage shall repay, on a pro rata basis, any amount received
26 which represents an advance payment for a period of time during
27 which coverage is resumed. An employee who wishes to resume
28 coverage shall file a declaration with the board, in such form as the
29 board shall prescribe, that the waiver is revoked. The decision of a
30 board to allow its employees to waive coverage and the amount of
31 consideration to be paid therefor shall not be subject to the collective
32 bargaining process.

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34 4. This act shall take effect immediately.

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STATEMENT

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39 In the recently enacted law which eased various State-imposed
40 mandates on local governments, P.L.1995, c.259, a municipality which
41 participates in the State Health Benefits Program or another group
42 health benefits plan was authorized to permit an employee who is
43 eligible for health care coverage as a dependent of the employee's
44 spouse to waive coverage to which the employee is entitled as an
45 employee of the municipality. The municipality was also authorized
46 to pay an employee who waives coverage an amount not to exceed

1 50% of the amount saved by the municipality because of the waiver.

2 This bill extends the same authority to counties and school districts
3 with respect to their employees and thus extends to these entities the
4 relief from State mandates provided by P.L.1995, c.259. This will
5 permit counties and school districts to reduce their expenditures in
6 providing health care coverage to their employees and by extension
7 will enable these entities to provide property tax relief.

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12 Extends to counties and school districts the ability to permit
13 employees to waive health care coverage and receive in payment a
14 portion of money saved.