

SENATE, No. 1604

STATE OF NEW JERSEY

INTRODUCED OCTOBER 24, 1996

By Senator BENNETT

1 AN ACT concerning eligibility of certain retirants from the service of  
2 certain public employers other than the State for paid coverage  
3 under the State Health Benefits Program and amending P.L.1964,  
4 c.125.

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

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

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

18 From funds allocated therefor, the employer other than the State  
19 may pay the premium or periodic charges for the benefits provided to  
20 a retired employee and the employee's dependents covered under the  
21 program, if such employee retired from a State or locally-administered  
22 retirement system on a benefit based on 25 years or more of service  
23 credited in such retirement system, excepting the employee who  
24 elected deferred retirement, but including the employee who retired on  
25 a disability pension based on fewer years of service credited in such  
26 retirement system[, and]; in the case of an employee who retired from  
27 such a system on a benefit based on 25 years or more of service  
28 credited in the system, the employer other than the State may further  
29 require that the employee have served at least 15 years' continuous  
30 service with the employer immediately preceding retirement. The  
31 employer other than the State may also reimburse such retired  
32 employee for the employee's premium charges under Part B of  
33 Medicare covering the retired employee and the employee's spouse.  
34 "Retired employee and the employee's dependents" may, upon  
35 adoption of an appropriate resolution therefor by the participating

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

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

18 (cf: P.L.1996, c.8, s.4)

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20 2. This act shall take effect immediately.

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#### STATEMENT

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25 This bill amends the statute authorizing local governments and  
26 other public employers other than the State that participate in the New  
27 Jersey State Health Benefits Program (SHBP) to provide paid  
28 coverage under the program to retirees with 25 years or more of  
29 service credited in a New Jersey public retirement system and the  
30 dependents of those retirees.

31 Under present law, any such employer wishing to extend paid  
32 SHBP coverage to retirees from its employment who meet the 25-year  
33 total service qualification cannot additionally require that some  
34 minimum portion of that total service have been rendered to the  
35 particular employer.

36 Under the bill, the employer other than the State would be allowed  
37 to require that the employee, in addition to having rendered 25 years'  
38 total pensionable service, have served at least 15 years' continuous  
39 service with the employer immediately preceding retirement.

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45 Permits public employer other than State to require retirant with 25  
46 years' pensionable service to have served 15 years with employer to be  
eligible for paid SHBP coverage.