

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 2334

STATE OF NEW JERSEY

ADOPTED DECEMBER 15, 1997

Sponsored by Senators KYRILLOS and KENNY

1 AN ACT concerning health benefits coverage under the State Health
2 Benefits Program of certain retired members of the Police and
3 Firemen's Retirement System of New Jersey, the Public Employees'
4 Retirement System of New Jersey and the Consolidated Police and
5 Firemen's Pension Fund, amending P.L.1977, c.85 and
6 supplementing P.L.1961, c.49 (C.52:14-17.25 et seq.).
7

8 **BE IT ENACTED** by the Senate and General Assembly of the State
9 of New Jersey:

10

11 1. (New section) a. A qualified retiree from the Police and
12 Firemen's Retirement System of New Jersey (C.43:16A-1 et seq.),
13 hereinafter referred to as PFRS, the Consolidated Police and Firemen's
14 Pension Fund (C.43:16-1 et seq.), hereinafter referred to as CPFPPF,
15 or the Public Employees' Retirement System of New Jersey
16 (C.43:15A-1 et seq.), hereinafter referred to as PERS, and dependents,
17 as defined in section 2 of P.L.1961, c.49 (C.52:14-17.26), of a
18 qualified retiree, are eligible to participate in the program, in
19 accordance with the law and rules governing the program, except as
20 otherwise provided by this act, regardless of whether the retiree's
21 employer participated in the program.

22 A qualified retiree is a retiree who:

23 (1) retired on a benefit based on 25 or more years of service credit
24 in PFRS or CPFPPF, or in PERS as a law enforcement officer as
25 defined in section 1 of P.L.1955, c.257 (C.43:15A-97) or in a position
26 eligible for participation in PFRS as provided in section 9 of P.L.1989,
27 c.204 (C.43:16A-1.2); or

28 (2) retired on a disability retirement under PFRS or CPFPPF, or
29 under PERS as a law enforcement officer or in a position eligible for
30 participation in PFRS, based on fewer years of service credit; and

31 (3) was eligible to receive health benefits coverage at the expense
32 of the employer of the person immediately preceding retirement.

33 The State shall pay the amount of the premium or periodic charges

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 for the coverage for the qualified retiree and dependents, but not
2 including survivors, equal to 80 percent of the premium or periodic
3 charges for the category of coverage elected by the qualified retiree
4 under the State managed care plan or a health maintenance
5 organization participating in the program which provides services in
6 the 21 counties in the State, whichever provides the lower premium or
7 periodic charge. The qualified retiree shall pay the difference between
8 the premium or periodic charge for the coverage and the amount paid
9 by the State.

10 c. The State Health Benefits Commission shall annually certify to
11 the State the cost for providing health benefits coverage to qualified
12 retirees and their dependents under this section. The State shall
13 annually remit to the commission the amount certified at a time
14 specified by the State Treasurer.

15 d. The provisions of this section shall not apply to (1) a retired
16 State employee whose premium or periodic charges for benefits under
17 the program are paid by the State pursuant to section 8 of P.L.1961,
18 c.49 (C.52:14-17.32) or section 6 of P.L.1996, c.8 (C.52:14-17.28b);
19 and (2) a retiree of an employer other than the State which pays the
20 premium or periodic charges for health care benefits for eligible
21 retirees pursuant to section 7 of P.L.1964, c.125 (C.52:14-17.38) or
22 N.J.S.40A:10-23 on the effective date of P.L. , c. (C.) (now
23 pending before the Legislature as this bill).

24
25 2. (New section) A qualified retiree shall be eligible for the
26 benefits provided by P.L. , c. (C.)(now pending before the
27 Legislature as this bill) at the time of retirement, or at the time the
28 qualified retiree becomes eligible for Medicare. A qualified retiree
29 receiving health benefits coverage from an employer after retirement
30 shall be ineligible for the benefits under this act.

31
32 3. (New section) No provision of this act shall be deemed to
33 replace, supersede or modify retiree health care benefits provided by
34 an employer by negotiated agreement, ordinance or resolution.

35
36 4. Section 5 of P.L.1977, c.85 (C.34:13A-18) is amended to read
37 as follows:

38 5. The arbitrator shall not issue any finding, opinion or order
39 regarding the issue of whether or not a public employer shall remain
40 as a participant in the New Jersey State Health Benefits Program or
41 any governmental retirement system or pension fund, or statutory
42 retirement or pension plan; nor, in the case of a participating public
43 employer, shall the arbitrator issue any finding, opinion or order
44 regarding any aspect of the rights, duties, obligations in or associated
45 with the New Jersey State Health Benefits Program or any

1 governmental retirement system or pension fund, or statutory
2 retirement or pension plan; nor shall the arbitrator issue any finding,
3 opinion or order reducing, eliminating or otherwise modifying retiree
4 benefits which exist as a result of a negotiated agreement, ordinance
5 or resolution because of the enactment of legislation providing such
6 benefits for those who do not already receive them.

7 (cf: P.L.1977, c.85, s.5)

8

9 5. (New section) Any qualified retiree who retired prior to the
10 effective date of this act, P.L. , c. (C.)(now pending before the
11 Legislature as this bill), shall be eligible for the coverage provided by
12 section 1 of the act if the employee applies to the program for it within
13 one year after the effective date of this act.

14

15 6. This act shall take effect on the first day of the sixth month
16 following enactment.

17

18

19

20

21 Provides certain contributory SHBP benefits to certain PFRS, CPFPPF
22 and PERS retirees.