

LEGISLATIVE HISTORY CHECKLIST

NJSA: 40A:10-23

(Local government employees--retirement--permits employer to provide certain health benefits)

LAWS OF: 1985

CHAPTER: 224

Bill No: A1821

Sponsor(s): Bennett and Muhler

Date Introduced: April 30, 1984

Committee: Assembly: County Government

Senate: County and Municipal Government

Amended during passage: Yes according to Governor's recommendations

Amendments denoted by asterisks

Date of Passage: Assembly: June 25, 1984

Re-enacted 4-29-85

Senate: January 31, 1985

Re-enacted 6-27-85

Date of Approval: July 2, 1985

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly Yes

Senate Yes

Fiscal Note: No

Veto Message: Yes

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

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ASSEMBLY, No. 1821

STATE OF NEW JERSEY

INTRODUCED APRIL 30, 1984

By Assemblyman BENNETT and Assemblywoman MUHLER

AN ACT concerning the payment of health insurance premiums for certain retired local governmental employees and amending N. J. S. 40A:10-23.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. N. J. S. 40A:10-23 is amended to read as follows:

2 40A:10-23. Payment of premiums after retirement. Retired
3 employees shall be required to pay for the entire cost of coverage
4 for themselves and their dependents at rates which are deemed to
5 be adequate to cover the benefits, as affected by Medicare, of the
6 retired employees and their dependents on the basis of the utiliza-
7 tion of services which may be reasonably expected of the older age
8 classification; provided, however, that the total rate payable by a
9 retired employee for himself and his dependents, for coverage
10 under the contract and for Part B of Medicare, shall not exceed by
11 more than 25%, the total amount that would have been required to
12 have been paid by the employee and his employer for the coverage
13 maintained had he continued in office or active employment and he
14 and his dependents were not eligible for Medicare benefits.

15 The employer may, in its discretion, assume the entire cost of
16 such coverage and pay all of the premiums for employees who have
17 retired on a disability pension or after 25 years or more service
18 with the employer, or have retired and reached the age of 62 or
19 older with at least 15 years of service **with the employer** [where
20 the retirement has been shown to the satisfaction of the employer to
21 have been necessitated by medical illness or disability of the em-
22 ployee], including the premiums on their dependents, if any, under
23 uniform conditions as the governing body of the local unit shall
24 prescribe.

1 2. This act shall take effect immediately.

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 printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

*—Assembly amendment adopted in accordance with Governor's recommendations April 15, 1985.

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16 such coverage and pay all of the premiums for employees who have
17 retired on a disability pension or after 25 years or more service
18 with the employer, or have retired and reached the age of 62 or
19 older with at least 15 years of service [where the retirement has
20 been shown to the satisfaction of the employer to have been necessi-
21 tated by medical illness or disability of the employee], including
22 the premiums on their dependents, if any, under uniform conditions
23 as the governing body of the local unit shall prescribe.

1 2. This act shall take effect immediately.

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

SPONSOR'S STATEMENT

This bill would permit local governmental employers to provide health benefits to employees who retire at the age of 62 or older with at least 15 years of service.

Under current law, local governmental employers may provide health benefits to employees who retire at the age of 62 or older with at least 15 years of service only in those cases where the retirement is necessitated due to a disability or illness.

ASSEMBLY COUNTY GOVERNMENT AND
REGIONAL AUTHORITIES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1821

STATE OF NEW JERSEY

DATED: JUNE 18, 1984

Assembly Bill No. 1821 permits local governments to provide health benefits to employees who retire at the age of 62 or older with at least 15 years of service.

Under current law, local governments may provide health benefits to employees who retire at the age of 62 or older with at least 15 years of service, but only in those cases where the retirement is necessitated by a disability or illness.

Assembly Bill No. 1821 is supported by the League Legislative Committee of the New Jersey State League of Municipalities.

SENATE COUNTY AND MUNICIPAL GOVERNMENT
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 1821

STATE OF NEW JERSEY

DATED: SEPTEMBER 13, 1984

Assembly Bill No. 1821 amends N. J. S. 40A:10-23 to permit local governmental units to pay the hospital and health insurance premiums of retirees 62 years of age or older who have retired after accumulating 15 or more years of service with the local unit.

Under current law, local governmental units may pay such insurance premiums only for those retirees who: (a) have retired on a disability pension, (b) retire after accumulating 25 or more years of service with the local unit, or (c) are 62 years of age or older and retire after accumulating 15 or more years of service because of a medical illness or a disability.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

April 15, 1985

ASSEMBLY BILL NO. 1821

To the General Assembly:

Pursuant to Article V, Section 1, Paragraph 14 of the Constitution, I herewith return Assembly Bill No. 1821 with my recommendations for reconsideration.

Assembly Bill No. 1821 would allow local governmental employers to provide health and hospital benefit coverage to retirees who are age 62 or older with at least 15 years of service, and their dependents. Current law provides that local governmental employers may provide health and hospital benefit coverage to employees who retire on disability, retirees with at least 25 years of service with the employer, and retirees who are age 62 or older with at least 15 years of service and who can prove to the satisfaction of the employer that retirement was necessitated by medical illness or disability. The effect of Assembly Bill No. 1821 is to liberalize current law to allow local governmental employers to provide health and hospital benefit coverage for all retirees age 62 or older with at least 15 years of service.

I support the concept expressed within Assembly Bill No. 1821. This bill will enable local governmental employers to provide health and hospital benefit coverage to individuals who are most in need. Employees who enter public service late in life and retire after 15 years of service have difficulty providing health and hospital benefit coverage for themselves and their dependents. Assembly Bill No. 1821 will allow local employers to provide a life sustaining benefit for these people.

Despite my support for the concept expressed within Assembly Bill No. 1821, I must return the bill to correct a technical problem.

Assembly Bill No. 1821 could be interpreted as requiring a participating local governmental employer to pay health and hospital benefit coverage for a retiree age 62 or older with 15 years of cumulative public service, and his dependents. The bill does not limit a participating local employer's obligation to retirees age 62 or older with at least 15 years of service with that employer. In its current form, Assembly Bill No. 1821 could result in an inequitable cost for a participating local governmental employer who is the last of several employers during an employee's career in public service. I note that a similar provision

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

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within current law requires a participating local governmental employer to pay health and hospital coverage for a retiree with at least 25 years of service, and his dependents, only if the employee's service was with that employer.

I recommend that Assembly Bill No. 1821 be amended to require a participating employer to pay health and hospital benefit coverage for a retiree age 62 or older with at least 15 years of service, and his dependents, only if the retiree worked at least 15 years of service with that employer. Amending Assembly Bill No. 1821 in this manner will achieve parallelism within current law. It will ensure that only retirees, who deserve the benefit because of many years of devoted service to one employer, will receive the benefit. Finally, it will ensure that a participating local governmental employer will not be saddled with an inequitable cost.

Accordingly, for the aforementioned reasons, I return Assembly Bill No. 1821 and recommend that it be amended as follows:

Page 1, Section 1, Line 19: After "service" insert "with the employer"

Respectfully,

/s/ Thomas H. Kean

GOVERNOR

[seal]

Attest:

/s/ W. Cary Edwards

Chief Counsel

BILLS SIGNED

PAGE TWO

JULY 3, 1985

Other bills signed by the Governor with his recommendations made in earlier conditional vetoes are:

A-1044, sponsored by Assemblyman William Flynn, D-Middlesex, which precludes an individual who is found guilty or who pleads guilty to a criminal charge from filing a lawsuit to recover monetary damages for injuries sustained while engaged in criminal conduct.

S-1004, sponsored by Senator Christopher Jackman, D-Hudson, to increase the capital or net worth and liquidity requirements for check cashing licensee applicants.

S-1307 sponsored by Senator Joseph Hirkala, D-Passaic, to permit a veteran member of the Public Employees' Retirement System (PERS) who is 60 years of age and has 35 years of aggregate service to retire and receive an allowance of one-sixtieth of compensation received during his final year of employment for each year of credited service.

S-1356, sponsored by Senator John Caufield, D-Essex, to allow a chief investigator, assistant chief investigator, senior investigator or investigator in a county welfare agency to transfer membership into the Police and Firemen's Retirement System.

A-1821, sponsored by Assemblyman John Bennett, R-Monmouth, to permit county and municipal employers to provide health and hospital benefits coverage to retirees 62 years or older with at least 15 years of service.

S-215, sponsored by Senator Edward O'Connor, D-Hudson, which makes certain changes in the law pertaining to the Sheriff's Employees Retirement System.

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