

LEGISLATIVE HISTORY CHECKLISTNJSA: 40A:10-23

(Municipal employees--disability pension - health insurance premiums - paid entirely by municipality)

LAWS OF: 1983CHAPTER: 364Bill No: A1573Sponsor(s): Zangari and othersDate Introduced: June 10, 1982Committee: Assembly: County GovernmentSenate: County and Municipal GovernmentA mended during passage: YES Amendments during passage denoted by asterisksDate of Passage: Assembly: November 15, 1982Senate: September 15, 1983Date of Approval: October 6, 1983Following statements are attached if available:Sponsor statement: Yes (Below)Committee statement: Assembly YesSenate YesFiscal Note: NoVeto Message: NoMessage on Signing: NoFollowing were printed:Reports: NoHearings: NoSponsors' statement:

This bill would amend N.J.S. 40A:10-23 to permit municipalities to pay the entire cost of health insurance coverage for its employees retiring on a disability pension regardless of the number of years of service.

RDV

[OFFICIAL COPY REPRINT]

**ASSEMBLY, No. 1573****STATE OF NEW JERSEY**

INTRODUCED JUNE 10, 1982

By Assemblymen ZANGARI, THOMPSON, McENROE, KOSCO,  
SCHUBER and MARKERT

**AN ACT** concerning the payment of health insurance premiums for certain retired municipal 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 where the retirement has*

**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:

\*—Senate committee amendment adopted June 23, 1983.

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.**

---

ASSEMBLY COUNTY GOVERNMENT COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 1573**

**STATE OF NEW JERSEY**

DATED: OCTOBER 18, 1982

Assembly Bill No. 1573 amends N. J. S. 40A:10-23 in order to permit local governmental units to pay the health insurance premiums of employees who have retired on a disability pension.

Under current law, local governmental units may pay such insurance premiums only for retirees who have accumulated 25 or more years of service with the local unit.

The bill is permissive and, therefore, does not obligate any local governmental unit to assume any such insurance costs unless the governing body of the unit determines to do so. Should a governing body determine to pay such insurance premiums, the policy must be applied uniformly to all qualified retirees.

SENATE COUNTY AND MUNICIPAL GOVERNMENT  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 1573**

with Senate committee amendments

---

**STATE OF NEW JERSEY**

---

DATED: JUNE 23, 1983

Assembly Bill No. 1573 amends N. J. S. 40A:10-23 in order to permit local governmental units to pay the health insurance premiums of employees who have retired on a disability pension.

Under current law, local governmental units may pay such insurance premiums only for retirees who have accumulated 25 or more years of service with the local unit, or who have retired and reached the age of 62 years or older with at least 15 years service with the local unit, where the retirement was necessitated by medical illness or disability.

The bill is permissive and, therefore, does not obligate any local governmental unit to assume any such insurance costs unless the governing body of the unit determines to do so. Should a governing body determine to pay such insurance premiums, the policy must be applied uniformly to all qualified retirees.

The Senate committee amendments incorporate the provisions of the recently enacted P. L. 1983, c. 201.

Under the Public Employees' Retirement System, an employee under 60 years of age may retire on ordinary disability pension after 10 or more years service, and certification of disability. An employee under 65 years of age may retire on accidental disability pension at any time if the disability resulted from a traumatic event during the performance of duties.

Under the Police and Firemen's Retirement System, an employee under 55 years of age may retire on ordinary disability pension after 5 or more years service, and certification of disability. An employee at any age may retire on accidental disability pension at any time if the disability resulted from a traumatic event during the performance of duties.