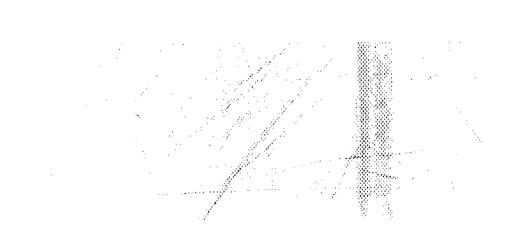
52: 14- 17.38

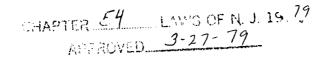
LEGISLATIVE HISTORY CHECKLIST

(State Health Benefits Program--Local government to include WJSA 52:14-17.38 certain retired employees LAUS OF 1979 54 CHAPTER S660 Bill No. Sponsor(s) <u>Merlino</u> January 19, 1978 Date Introduced Committee: Assembly County Government Senate County & Municipal Government Amended during passage Yes XX Amendments during passage denoted by Date of Passage: Assembly December 11, 1978 asterisks Senate <u>May 15, 1978</u> Date of approval March 27, 1979 Following statements are attached if available: Sponsor statement Yes XX Committee Statement: Assembly XXX 1:o Senate Yes XX Fiscal Note XXX 1:o Veto Hessage XXX **:**'o Lessage on signing 110 XXX Following were printed. Reports XXX No Hearings XXX 110

med

9/1/78





[OFFICIAL COPY REPRINT] SENATE, No. 660

STATE OF NEW JERSEY

INTRODUCED JANUARY 19, 1978

By Senator MERLINO

Referred to Committee on County and Municipal Government

AN ACT concerning certain retired employees of counties, municipalities and school districts in connection with the New Jersey State Health Benefits Program and amending P. L. 1964, c. 125.

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

1 1. Section 7 of P. L. 1964, c. 125 (C. 52:14-17.38) is amended 2 to read as follows:

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

10 The employer shall reimburse the active employee for his pre-11 mium charges under Part B of the Federal Medicare Program 12 covering the employee and the employee's spouse.

From funds allocated therefor, the employer other than the State 13 may pay the premium or periodic charges for the benefits provided 14 to a retired employee and his dependents covered under the pro-15gram, but not including survivors, if such employee retired from a 16State or locally-administered retirement system on a benefit based 17 on 25 years or more of service credited in such retirement system, 18 excepting the employee who elected deferred retirement, but in-19 cluding the employee who retired on a disability pension based on 20fewer years of service credited in such retirement system and may 21also reimburse such retired employee for his premium charges 22under Part B of the Federal Medicare Program covering the 23retired employee and the employee's spouse. "Retired employee 24 EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

25and his dependents" may, upon adoption of an appropriate reso-26lution therefor by the participating employer, also include * [any 27 otherwise eligible employee, and his]* *otherwise eligible employees, and their* dependents, who retired from a State or locally-2829administered retirement system * [at any time prior to the date on which said employer became a participating employer in ac-30 cordance with the provisions of the New Jersey State Health Bene-31fits Program Act]* * on or after July 1, 1964, notwithstanding that 32said employer became a participating employer in the New Jersey 33 State Health Benefits Program after said date*. Eligibility and 34enrollment of such employees and dependents shall be in accordance 35with such rules and regulations as may be adopted by the State 36 Health Benefits Commission. 372. This act shall take effect immediately. 1

.

otherwise eligible employee, and his dependents, who retired from 27a State or locally-administered retirement system at any time prior $\mathbf{28}$ to the date on which said employer became a participating employer 29in accordance with the provisions of the New Jersey State Health 30 Benefits Program Act. Eligibility and enrollment of such employees 31 32and dependents shall be in accordance with such rules and regula-33 tions as may be adopted by the State Health Benefits Commission. 1 2. This act shall take effect immediately.

Sponsors ' STATEMENT

The purpose of this bill is to permit local units of government, at their discretion, to extend the same health insurance benefits to employees retired prior to the date that the local unit became a participating employer under the New Jersey State Health Benefits Program Act as are already available to employees retiring after said date pursuant to the section of law amended by this bill.

The local unit of government or the retired employee, as the case may be, will be required to pay all necessary premium charges.

· • .•

at some some som

the second s

• •

· / · · · · · ·

٠.,

....

en en la complete de la complete de la section de la complete de la section de la complete de la section de la

and the second second

5660 (1978)

. ...

المعالية المحافظ المحور المراجع والمحافظ الم

SENATE COUNTY AND MUNICIPAL GOVERNMENT COMMITTEE

STATEMENT TO SENATE, No. 660

STATE OF NEW JERSEY

DATED: APRIL 27, 1978

Senate Bill No. 660 would permit local governmental employers, by resolution, to extend the benefits of the State Health Benefits Program to their employees who retired prior to the local government's participation in the program.

Committee received unofficial communication from the Department of the Treasury estimating that the costs to local employers may be as high as \$6.5 million in 1979 and \$7.0 million in 1980.

The committee amended the bill to provide that the local employer may cover employees retiring prior to the employers participation in the State Health Benefits Program, but not prior to July 1, 1964, the date prior to which the State does not cover its retired employers. The committee believed that the legislation should not allow local employers to cover employees retiring prior to that date, thus engendering pressure for the State to do the same for its employees retiring prior to such date at an estimated cost of \$2.5 million.

The committee also amended the bill to assure that the local employer would cover all employees retired prior to participation, if it chose to cover any such retired employees. Some ambiguity appeared to exist under the bill as to whether or not the local employer would be permitted to select among such employees as to whom it would cover.

Opinions Received: League of Municipalities—qualified approval. "The League endorses Senate Bill No. 660. However, this endorsement is based upon the fact that such increase in cost must be exempted from the Cap law. If such exception is not provided, we must withhold our approval of this bill."

The committee notes that since this provision of benefits is a permissive extension of an existing program, and not a mandated new program, the local employer costs would not be exempted from the local budget caps. This, of course, would be a factor each municipality would have to consider in deciding whether or not to extend such benefits to retired employees.