

CHAPTER 111 LAWS OF N. J. 1973

APPROVED 5-7-73

ASSEMBLY, No. 1539

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# STATE OF NEW JERSEY

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INTRODUCED NOVEMBER 16, 1972

By Assemblymen DE KORTE, RYS and REID

Referred to Committee on County Government

AN ACT to permit local public employer contributions for certain pensioners in connection with the New Jersey State Health Benefits Program and amending section 7 of 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:

3 7. The Division of Pensions shall certify to the certifying agent  
4 of each employer electing participation under the program the  
5 premium rates and periodic charges applicable to the coverage  
6 provided for employees and dependents. The participating em-  
7 ployer shall remit to the division all contributions to premiums  
8 and periodic charges in advance of their due dates, subject to the  
9 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.

13 *From funds allocated therefor, the employer other than the State*  
14 *may pay the premium or periodic charges for the benefits provided*  
15 *to a retired employee and his dependents covered under the pro-*  
16 *gram, but not including survivors, if such employee retired from a*  
17 *State or locally-administered retirement system effective on or*  
18 *after July 1, 1972, on a benefit based on 25 years or more of ser-*  
19 *vice credited in such retirement system, excepting the employee*  
20 *who elected deferred retirement, but including the employee who re-*  
21 *tired on a disability pension based on fewer years of service cred-*  
22 *ited in such retirement system and may also reimburse such retired*  
23 *employee for his premium charges under Part B of the Federal*  
24 *Medicare program covering the retired employee and the em-*  
25 *ployee's spouse.*

1 2. This act shall take effect immediately.

## STATEMENT

In accordance with the recommendations to have the State pay the cost of the health insurance and medicare premiums for certain retired State employees and their dependents, this legislation would permit participating local employers to pay the charges for their employees who are similarly retired.

FISCAL NOTE TO  
**ASSEMBLY, No. 1539**

**STATE OF NEW JERSEY**

DATED: DECEMBER 27, 1972

Assembly Bill No. 1539 amends the act governing the State Health Benefits Program to provide for local public employers to assume the cost of health insurance premiums for retired persons and their dependents, at the employer's option. It pertains to those who otherwise qualify on a basis identical to that adopted for State employees with an effective date of July 1, 1972.

The Division of Pensions states that as of this writing, there are 4,309 pensioners of local employers participating in the program since July 1, 1964 when the first pensioners were permitted to continue in the plan and when local employers were first permitted to participate in the plan. Of this group, 3,816 retired prior to July 1, 1972 so that, as of this writing, there are 493 individuals who are involved. The division expects this to increase for the year by a minimum of an additional 500 lives and, in consideration of those who meet the requirements, it is believed the number of lives involved would be 745 for an annual cost to local employers in the 1972-73 year of \$223,500.00. This would be the maximum outlay since not every employer might elect the option to pay the premium.

This differs from the action taken by the State where the State was required to pay the premium.

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In compliance with written request received, there is hereby submitted a fiscal estimate for the above bill, pursuant to P. L. 1962, c. 27.

SENATE COUNTY AND MUNICIPAL GOVERNMENT  
COMMITTEE

STATEMENT TO  
ASSEMBLY, No. 1539

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STATE OF NEW JERSEY

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DATED: APRIL 16, 1973

Assembly Bill No. 1539 authorizes local public employees to pay the premiums or periodic charges for health insurance benefits of certain retired employees and their dependents.

Under the provisions of section 8, P. L. 1972, c. 75 (C. 52:14-17.32), the State is required to pay the health insurance premiums of any retired State employee and his dependents, exclusive of survivors, who has retired on or after July 1, 1972 with retirement benefits of 25 or more years of service credits.

The objective of this bill is to authorize any local unit of government—as defined in section 4 (a) or P. L. 1964, c. 125—whose employees are members of State or locally-administered retirement system to extend similar benefits to its employees. Such privileges shall not, however, be extended to any employee who selected deferred retirement, but may be granted to employees retired on disability pension, notwithstanding the fact that such employees have fewer than 25 years of service credits.

The provisions of this bill are identical to those in section 8 of P. L. 1972, c. 75 except that such benefits are of an optional nature.

FROM THE OFFICE OF THE GOVERNOR

MAY 7, 1973

FOR RELEASE  
IMMEDIATE

Governor William T. Cahill today signed legislation improving the pension benefits of police and firemen and permitting municipalities and counties to pay health insurance coverage costs for certain retired employees and their dependents. At a public ceremony, the Governor signed the pension improvement bills, S-2301 and S-2302, sponsored by Senator Michael Ciuliano (R., Essex).

"These bills will permit early or 'special retirement' for policemen or firemen who have completed 25 years of service," the Governor said. Under the present system, a policeman or fireman must be 51 years of age to qualify for special retirement after 25 years of service.

These bills will affect approximately 20,000 policemen and firemen who are members of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund. The cost for municipal government will be approximately \$2.7 million beginning in January of 1975, which is the first year of the funding.

The health insurance payments bill, A-1539, sponsored by Assemblyman Richard DeKorte (R., Bergen) permits municipal and county employees to pay the cost of premiums under the State Health Benefits Program for local employees and their dependents. The employee must have retired after July 1, 1972 with 25 years of service in order to qualify.

"The health insurance coverage for employees retired from local government and their dependents will provide protection for them at a time when they are most in need and often least able to pay for it themselves," Governor Cahill said.

This legislation will provide approximately \$500,000 in health insurance benefits to local government employees including police and firemen. Similar benefits were recently provided for state employees and their dependents.