

# LEGISLATIVE HISTORY CHECKLIST

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## *LAWS of 1999*

**CHAPTER:** 48

**NJSA:**52:14-17.38

(Local government employees -- SHBP benefits after retirement)

**BILL NO:**A2839 (Substituted for S1700 -- 1<sup>st</sup> Reprint)

**SPONSOR(S):**Doria and DiGaetano

**DATE INTRODUCED:** January 28, 1999

**COMMITTEE:**

*ASSEMBLY:*State Government

*SENATE:*----

**AMENDED DURING PASSAGE:**Yes

**DATE OF PASSAGE:**

*ASSEMBLY:*February 18, 1999

*SENATE:*February 25, 1999

**DATE OF APPROVAL:**March 12, 1999

### THE FOLLOWING ARE ATTACHED IF AVAILABLE:

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**FINAL TEXT OF BILL:** *Yes*1<sup>st</sup> Reprint

(Amendments during passage denoted by superscript numbers)

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**A2839**

**SPONSORS STATEMENT:** *Yes*(Begins on page 3 of original bill)

**COMMITTEE STATEMENT:**

**ASSEMBLY:***Yes*

**SENATE:***No*

**FLOOR AMENDMENT STATEMENTS:** *No*

**LEGISLATIVE FISCAL ESTIMATE:** *No*

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## **S1700**

**SPONSORS STATEMENT:** *Yes*(Begins on page 3 of original bill)  
Bill and Sponsor's Statement identical to A2839

**COMMITTEE STATEMENT:**

**ASSEMBLY:** *No*

**SENATE:** *No*

**FLOOR AMENDMENT STATEMENTS:***Yes*  
Identical to Assembly statement for A2839

**LEGISLATIVE FISCAL ESTIMATE:** *No*

**1<sup>st</sup> REPRINT (Final version):** *Yes*

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### **GOVERNOR'S ACTIONS**

**VETO MESSAGE:** *No*

**GOVERNOR'S PRESS RELEASE ON SIGNING:** *YES*

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### **THE FOLLOWING WERE PRINTED:**

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**REPORTS:** *No*

**HEARINGS:** *No*

**NEWSPAPER ARTICLES:** *No*

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P.L. 1999, CHAPTER 48, *approved March 12, 1999*

Assembly, No. 2839 (*First Reprint*)

1 AN ACT concerning health care benefits coverage under the State  
2 Health Benefits Program for certain local government retirees and  
3 amending P.L.1964, c.125.

4  
5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

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

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

17 b. (1) From funds allocated therefor, the employer other than the  
18 State <sup>1</sup>, upon the adoption and submission to the division of an  
19 appropriate resolution prescribed by the commission,<sup>1</sup> may pay the  
20 premium or periodic charges for the benefits provided to a retired  
21 employee and the employee's dependents covered under the program,  
22 if <sup>1</sup>**[such] the**<sup>1</sup> employee retired from a State or locally-administered  
23 retirement system <sup>1</sup>**[on a benefit based on 25 years or more of service**  
24 **credited in such retirement system]**<sup>1</sup>, excepting the employee who  
25 elected deferred retirement, <sup>1</sup>**[but including the employee who retired**  
26 **on a disability pension based on fewer years of service credited in such**  
27 **retirement system] and met the eligibility requirements for employer**  
28 **payment of premiums or periodic charges for health benefits coverage**  
29 **for retirees pursuant to N.J.S.40A:10-23, as amended**<sup>1</sup>, and may also  
30 reimburse <sup>1</sup>**[such] the**<sup>1</sup> retired employee for the employee's premium  
31 charges under Part B of Medicare covering the retired employee and  
32 the employee's spouse. "Retired employee and the employee's  
33 dependents" may, upon adoption of an appropriate resolution therefor  
34 by the participating employer, also include otherwise eligible  
35 employees, and their dependents, who retired from a State or  
36 locally-administered retirement system prior to the date that the  
37 employer became a participating employer in the New Jersey State  
38 Health Benefits Program<sup>1</sup>. The term may also, upon adoption of an  
39 appropriate resolution therefor by the participating employer, include  
40 otherwise eligible employees, and their dependents,<sup>1</sup> or<sup>1</sup> who did not

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

**Matter underlined thus is new matter.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup> **Assembly ASG committee amendments adopted February 11, 1999.**

1 elect to continue coverage in the program during such time after the  
2 employer became a participating employer that the employer did not  
3 pay premium or periodic charges for benefits to retired employees and  
4 their dependents pursuant to this section. Eligibility and enrollment of  
5 such employees and dependents shall be in accordance with such rules  
6 and regulations as may be adopted by the State Health Benefits  
7 Commission.

8 The employer other than the State may, by resolution, pay the  
9 premium or periodic charges for the benefits provided to the surviving  
10 spouse of a retired employee and the employee's dependents covered  
11 under the program as provided in this section.

12 (2) Notwithstanding the provisions of paragraph (1) of this  
13 subsection or of any other law to the contrary, from funds allocated  
14 therefor and upon the adoption and submission by the employer to the  
15 division of an appropriate resolution therefor, for each employee of  
16 an employer other than the State, as defined in section 4 of P.L.1964,  
17 c.125 (C.52:14-17.35), except an independent State authority, board,  
18 commission, corporation, agency, or organization deemed to be  
19 covered by section 6 of P.L.1996, c.8 (C.52:14-17.28b), who retires  
20 from a State- or locally administered retirement system, except an  
21 employee who elects deferred retirement, the employer may pay the  
22 premium or periodic charges for the health benefits provided to the  
23 retired employee and to the retired employee's dependents covered  
24 under the State Health Benefits Program, but not including survivors,  
25 and may reimburse the retired employee for premium charges under  
26 Part B of Medicare covering the retired employee and the employee's  
27 spouse, in accordance with the provisions concerning health benefits  
28 coverage in retirement, if any, which are in the collective negotiations  
29 agreement applicable to the employee at the time of the employee's  
30 retirement, or if an employee at the time of retirement has no majority  
31 representative for collective negotiations purposes, the employer may,  
32 in its sole discretion, modify the respective payment obligations set  
33 forth in P.L.1961, c.49 (C.52:14-17.25 et seq.), and any amendments  
34 and supplements thereto, for that retired employee and the retired  
35 employee's dependents in a manner consistent with the terms  
36 concerning health benefits coverage in retirement, if any, which are in  
37 any collective negotiations agreement binding upon the employer at  
38 the time of the employee's retirement. ]

39 Notwithstanding the provisions of any other law to the contrary, the  
40 obligations of an employer other than the State, except an independent  
41 State authority, board, commission, corporation, agency, or  
42 organization deemed to be covered by section 6 of P.L.1996, c.8  
43 (C.52:14-17.28b) and except school boards whose employees are  
44 covered by section 3 of P.L.1987, c.384 (C.52:14-17.32f), section 2  
45 of P.L.1992, c.126 (C.52:14-17.32f1) and section 1 of P.L.1995,  
46 c.357 (C.52:14-17.32f2), to pay the premium or periodic charges for

1 health benefits coverage under the provisions of paragraph (1) may be  
2 determined by means of a binding collective negotiations agreement,  
3 including any agreement in force at the time of the adoption of this act,  
4 P.L.1999, c. (now pending before the Legislature as this bill). With  
5 respect to employees for whom there is no majority representative for  
6 collective negotiations purposes, the employer may, in its sole  
7 discretion, determine the payment obligations for the employer and the  
8 employees, except that if there are collective negotiations agreements  
9 binding upon the employer for employees who are within the same  
10 community of interest as employees in a collective negotiations unit  
11 but are excluded from participation in the unit by the "New Jersey  
12 Employer-Employee Relations Act," P.L.1941, c.100 (C.34:13A-1 et  
13 seq.), the payment obligations shall be determined in a manner  
14 consistent with the terms of any collective negotiations agreement  
15 applicable to the collective negotiations unit.

16 c. Notwithstanding the provisions of any other law to the contrary,  
17 the payment obligations of an employee of an employer other than the  
18 State, except an independent State authority, board, commission,  
19 corporation, agency, or organization, for health benefits coverage  
20 under subsection b. shall be the payment obligations applicable to the  
21 employee on the date the employee retires on a disability pension or  
22 the date the employee meets the service credit and service  
23 requirements for the employer payment for the coverage, as the case  
24 may be.<sup>1</sup>

25 (cf: P.L.1996, c.8, s.4)

26

27 2. This act shall take effect immediately.

28

29

30

31

32 \_\_\_\_\_  
32 Permits local government employer to determine SHBP benefits  
33 payment obligation for retirees and dependents in accordance with  
34 collective negotiations agreement.

# ASSEMBLY, No. 2839

## STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED JANUARY 28, 1999

**Sponsored by:**

**Assemblyman JOSEPH V. DORIA, JR.**

**District 31 (Hudson)**

**Assemblyman PAUL DIGAETANO**

**District 36 (Bergen, Essex and Passaic)**

**SYNOPSIS**

Permits local government employer to determine SHBP benefits payment obligation for retirees and dependents in accordance with collective negotiations agreement.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning health care benefits coverage under the State  
2 Health Benefits Program for certain local government retirees and  
3 amending P.L.1964, c.125.

4  
5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

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

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

17 b. (1) From funds allocated therefor, the employer other than the  
18 State may pay the premium or periodic charges for the benefits  
19 provided to a retired employee and the employee's dependents covered  
20 under the program, if such employee retired from a State or  
21 locally-administered retirement system on a benefit based on 25 years  
22 or more of service credited in such retirement system, excepting the  
23 employee who elected deferred retirement, but including the employee  
24 who retired on a disability pension based on fewer years of service  
25 credited in such retirement system, and may also reimburse such  
26 retired employee for the employee's premium charges under Part B of  
27 Medicare covering the retired employee and the employee's spouse.  
28 "Retired employee and the employee's dependents" may, upon  
29 adoption of an appropriate resolution therefor by the participating  
30 employer, also include otherwise eligible employees, and their  
31 dependents, who retired from a State or locally-administered  
32 retirement system prior to the date that the employer became a  
33 participating employer in the New Jersey State Health Benefits  
34 Program. The term may also, upon adoption of an appropriate  
35 resolution therefor by the participating employer, include otherwise  
36 eligible employees, and their dependents, who did not elect to continue  
37 coverage in the program during such time after the employer became  
38 a participating employer that the employer did not pay premium or  
39 periodic charges for benefits to retired employees and their dependents  
40 pursuant to this section. Eligibility and enrollment of such employees  
41 and dependents shall be in accordance with such rules and regulations  
42 as may be adopted by the State Health Benefits Commission.

43 The employer other than the State may, by resolution, pay the

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

**Matter underlined thus is new matter.**

1 premium or periodic charges for the benefits provided to the surviving  
2 spouse of a retired employee and the employee's dependents covered  
3 under the program as provided in this section.

4 (2) Notwithstanding the provisions of paragraph (1) of this  
5 subsection or of any other law to the contrary, from funds allocated  
6 therefor and upon the adoption and submission by the employer to the  
7 division of an appropriate resolution therefor, for each employee of  
8 an employer other than the State, as defined in section 4 of P.L.1964,  
9 c.125 (C.52:14-17.35), except an independent State authority, board,  
10 commission, corporation, agency, or organization deemed to be  
11 covered by section 6 of P.L.1996, c.8 (C.52:14-17.28b), who retires  
12 from a State- or locally administered retirement system, except an  
13 employee who elects deferred retirement, the employer may pay the  
14 premium or periodic charges for the health benefits provided to the  
15 retired employee and to the retired employee's dependents covered  
16 under the State Health Benefits Program, but not including survivors,  
17 and may reimburse the retired employee for premium charges under  
18 Part B of Medicare covering the retired employee and the employee's  
19 spouse, in accordance with the provisions concerning health benefits  
20 coverage in retirement, if any, which are in the collective negotiations  
21 agreement applicable to the employee at the time of the employee's  
22 retirement, or if an employee at the time of retirement has no majority  
23 representative for collective negotiations purposes, the employer may,  
24 in its sole discretion, modify the respective payment obligations set  
25 forth in P.L.1961, c.49 (C.52:14-17.25 et seq.), and any amendments  
26 and supplements thereto, for that retired employee and the retired  
27 employee's dependents in a manner consistent with the terms  
28 concerning health benefits coverage in retirement, if any, which are in  
29 any collective negotiations agreement binding upon the employer at  
30 the time of the employee's retirement.

31 (cf: P.L.1996, c.8, s.4)

32

33 2. This act shall take effect immediately.

34

#### 35 STATEMENT

36

37 This bill will permit local government employers to determine  
38 payment obligations for health care benefits coverage provided to  
39 retired employees and their dependents under the State Health Benefits  
40 Program by the terms of any collective negotiations agreement in  
41 effect at the time of an employee's retirement. This provision is similar  
42 to the one recently enacted (section 6 of P.L.1996, c.8; C.52:14-  
43 17.28b) by which the State determines its payment obligations for  
44 coverage provided to retired State employees and their dependents  
45 under the State Health Benefits Program in accordance with collective  
46 negotiations agreements.



# ASSEMBLY STATE GOVERNMENT COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 2839**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: FEBRUARY 11, 1999

The Assembly State Government Committee reports favorably and with committee amendments Assembly, No. 2839.

Under current law, local government employers that participate in the State Health Benefits Program (SHBP) may pay the charges for SHBP health care benefits provided to a retired employee and dependents and may reimburse the retiree for Medicare Part B charges, if the employee retired with a State or locally administered retirement system benefit based upon 25 or more years of service or retired on a disability pension based on fewer years of service. By resolution, the employer also may extend this paid coverage to a retiree's survivors. Once a local government employer chooses to so provide SHBP benefits to its retirees and dependents, and perhaps survivors, it must continue to do so for all of its retirees and for so long as the employer participates in SHBP.

This bill, as amended, makes the age and service eligibility requirements for employer payment of SHBP health benefits coverage for retired employees the same as the requirements of N.J.S.40A:10-23 currently applicable to local government employers that do not participate in SHBP. Further, the bill provides that the employer payment obligations for retiree coverage may be determined by means of a collective negotiations agreement. With respect to employees for whom there is no majority representative for collective negotiations purposes, the employer may, in its sole discretion, determine the payment obligations for the employer and the employees, except that if there are collective negotiations agreements binding upon the employer for employees who are within the same community of interest as employees in a collective negotiations unit, the payment obligations shall be determined in a manner consistent with the terms of any collective negotiations agreement applicable to the collective negotiations unit.

Also as amended, the bill provides that the payment obligations of an employee for SHBP coverage in retirement shall be the payment obligations applicable to the employee on the date the employee retires on a disability pension or the date the employee meets the age and

service requirements for employer payment for the coverage, as the case may be.

In summary, the committee amended the bill to provide that the age and service eligibility requirements for employer-paid SHBP coverage in retirement shall be the same as those currently applicable to local government employers not in SHBP and that the amount of the employer payment obligation may be determined by collective negotiations agreement in effect at the time of the employee's retirement.

The committee also amended the bill to clarify that school boards are not included among the local government employers that are allowed to negotiate employer and employee obligations for payment of SHBP coverage in retirement, because current law, the State provides fully paid SHBP health care benefits in retirement to teachers and school board employees who retire with 25 or more years of service or on a disability pension based on fewer years of service.

**SENATE, No. 1700**

**STATE OF NEW JERSEY**  
**208th LEGISLATURE**

INTRODUCED FEBRUARY 18, 1999

**Sponsored by:**

**Senator EDWARD T. O'CONNOR**

**District 31 (Hudson)**

**SYNOPSIS**

Permits local government employer to determine SHBP benefits payment obligation for retirees and dependents in accordance with collective negotiations agreement.

**CURRENT VERSION OF TEXT**

As introduced.



S1700 O'CONNOR

2

1 AN ACT concerning health care benefits coverage under the State  
2 Health Benefits Program for certain local government retirees and  
3 amending P.L.1964, c.125.

4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7

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

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

17 b. (1) From funds allocated therefor, the employer other than the  
18 State may pay the premium or periodic charges for the benefits  
19 provided to a retired employee and the employee's dependents covered  
20 under the program, if such employee retired from a State or  
21 locally-administered retirement system on a benefit based on 25 years  
22 or more of service credited in such retirement system, excepting the  
23 employee who elected deferred retirement, but including the employee  
24 who retired on a disability pension based on fewer years of service  
25 credited in such retirement system, and may also reimburse such retired  
26 employee for the employee's premium charges under Part B of  
27 Medicare covering the retired employee and the employee's spouse.  
28 "Retired employee and the employee's dependents" may, upon adoption  
29 of an appropriate resolution therefor by the participating employer, also  
30 include otherwise eligible employees, and their dependents, who  
31 retired from a State or locally-administered retirement system prior to  
32 the date that the employer became a participating employer in the New  
33 Jersey State Health Benefits Program. The term may also, upon  
34 adoption of an appropriate resolution therefor by the participating  
35 employer, include otherwise eligible employees, and their dependents,  
36 who did not elect to continue coverage in the program during such  
37 time after the employer became a participating employer that the  
38 employer did not pay premium or periodic charges for benefits to  
39 retired employees and their dependents pursuant to this section.  
40 Eligibility and enrollment of such employees and dependents shall be  
41 in accordance with such rules and regulations as may be adopted by the  
42 State Health Benefits Commission.

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

**Matter underlined thus is new matter.**

1 The employer other than the State may, by resolution, pay the  
2 premium or periodic charges for the benefits provided to the surviving  
3 spouse of a retired employee and the employee's dependents covered  
4 under the program as provided in this section.

5 (2) Notwithstanding the provisions of paragraph (1) of this  
6 subsection or of any other law to the contrary, from funds allocated  
7 therefor and upon the adoption and submission by the employer to the  
8 division of an appropriate resolution therefor, for each employee of  
9 an employer other than the State, as defined in section 4 of P.L.1964,  
10 c.125 (C.52:14-17.35), except an independent State authority, board,  
11 commission, corporation, agency, or organization deemed to be  
12 covered by section 6 of P.L.1996, c.8 (C.52:14-17.28b), who retires  
13 from a State- or locally administered retirement system, except an  
14 employee who elects deferred retirement, the employer may pay the  
15 premium or periodic charges for the health benefits provided to the  
16 retired employee and to the retired employee's dependents covered  
17 under the State Health Benefits Program, but not including survivors,  
18 and may reimburse the retired employee for premium charges under  
19 Part B of Medicare covering the retired employee and the employee's  
20 spouse, in accordance with the provisions concerning health benefits  
21 coverage in retirement, if any, which are in the collective negotiations  
22 agreement applicable to the employee at the time of the employee's  
23 retirement, or if an employee at the time of retirement has no majority  
24 representative for collective negotiations purposes, the employer may,  
25 in its sole discretion, modify the respective payment obligations set  
26 forth in P.L.1961, c.49 (C.52:14-17.25 et seq.), and any amendments  
27 and supplements thereto, for that retired employee and the retired  
28 employee's dependents in a manner consistent with the terms  
29 concerning health benefits coverage in retirement, if any, which are in  
30 any collective negotiations agreement binding upon the employer at the  
31 time of the employee's retirement.

32 (cf: P.L.1996, c.8, s.4)

33  
34 2. This act shall take effect immediately.

35  
36  
37 STATEMENT

38  
39 This bill will permit local government employers to determine  
40 payment obligations for health care benefits coverage provided to  
41 retired employees and their dependents under the State Health Benefits  
42 Program by the terms of any collective negotiations agreement in effect  
43 at the time of an employee's retirement. This provision is similar to the  
44 one recently enacted (section 6 of P.L.1996, c.8; C.52:14-17.28b) by  
45 which the State determines its payment obligations for coverage  
46 provided to retired State employees and their dependents under the  
47 State Health Benefits Program in accordance with collective  
48 negotiations agreements.

STATEMENT TO  
**SENATE, No. 1700**

with Senate Floor Amendments  
(Proposed By Senator O'CONNOR)

ADOPTED: FEBRUARY 25, 1999

This amendment makes this Senate bill identical to Assembly, No. 2839 (1R) of 1999.

Under current law, local government employers that participate in the State Health Benefits Program (SHBP) may pay the charges for SHBP health care benefits provided to a retired employee and dependents and may reimburse the retiree for Medicare Part B charges, if the employee retired with a State or locally administered retirement system benefit based upon 25 or more years of service or retired on a disability pension based on fewer years of service. By resolution, the employer also may extend this paid coverage to a retiree's survivors. Once a local government employer chooses to so provide SHBP benefits to its retirees and dependents, and perhaps survivors, it must continue to do so for all of its retirees and for so long as the employer participates in SHBP.

This amendment makes the age and service eligibility requirements for employer payment of SHBP health benefits coverage for retired employees the same as the requirements of N.J.S.40A:10-23 currently applicable to local government employers that do not participate in SHBP. Further, the amendment provides that the employer payment obligations for retiree coverage may be determined by means of a collective negotiations agreement. With respect to employees for whom there is no majority representative for collective negotiations purposes, the employer may, in its sole discretion, determine the payment obligations for the employer and the employees, except that if there are collective negotiations agreements binding upon the employer for employees who are within the same community of interest as employees in a collective negotiations unit, the payment obligations shall be determined in a manner consistent with the terms of any collective negotiations agreement applicable to the collective negotiations unit.

Also, the amendment provides that the payment obligations of an employee for SHBP coverage in retirement will be the payment obligations applicable to the employee on the date the employee retires on a disability pension or the date the employee meets the age and service requirements for employer payment for the coverage, as the case may be.

In summary, the bill, if amended, would provide that the age and service eligibility requirements for employer-paid SHBP coverage in

retirement will be the same as those currently applicable to local government employers not in SHBP and that the amount of the employer payment obligation may be determined by collective negotiations agreement in effect at the time of the employee's retirement.

The amendment clarifies that school boards are not included among the local government employers that are allowed to negotiate employer and employee obligations for payment of SHBP coverage in retirement, because by current law the State provides fully paid SHBP health care benefits in retirement to teachers and school board employees who retire with 25 or more years of service or on a disability pension based on fewer years of service.

[First Reprint]

**SENATE, No. 1700**

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**STATE OF NEW JERSEY**

**208th LEGISLATURE**

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INTRODUCED FEBRUARY 18, 1999

**Sponsored by:**

**Senator EDWARD T. O'CONNOR**

**District 31 (Hudson)**

**SYNOPSIS**

Permits local government employer to determine SHBP benefits payment obligation for retirees and dependents in accordance with collective negotiations agreement.

**CURRENT VERSION OF TEXT**

As amended by the Senate on February 25, 1999.





1 AN ACT concerning health care benefits coverage under the State  
2 Health Benefits Program for certain local government retirees and  
3 amending P.L.1964, c.125.

4  
5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

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

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

17 b. (1) From funds allocated therefor, the employer other than the  
18 State <sup>1</sup>, upon the adoption and submission to the division of an  
19 appropriate resolution prescribed by the commission,<sup>1</sup> may pay the  
20 premium or periodic charges for the benefits provided to a retired  
21 employee and the employee's dependents covered under the program,  
22 if <sup>1</sup>**[such] the<sup>1</sup>** employee retired from a State or locally-administered  
23 retirement system <sup>1</sup>**[on a benefit based on 25 years or more of service**  
24 **credited in such retirement system]**<sup>1</sup>, excepting the employee who  
25 elected deferred retirement, <sup>1</sup>**[but including the employee who retired**  
26 **on a disability pension based on fewer years of service credited in such**  
27 **retirement system] and met the eligibility requirements for employer**  
28 **payment of premiums or periodic charges for health benefits coverage**  
29 **for retirees pursuant to N.J.S.40A:10-23, as amended**<sup>1</sup>, and may also  
30 reimburse <sup>1</sup>**[such] the<sup>1</sup>** retired employee for the employee's premium  
31 charges under Part B of Medicare covering the retired employee and  
32 the employee's spouse. "Retired employee and the employee's  
33 dependents" may, upon adoption of an appropriate resolution therefor  
34 by the participating employer, also include otherwise eligible  
35 employees, and their dependents, who retired from a State or  
36 locally-administered retirement system prior to the date that the  
37 employer became a participating employer in the New Jersey State  
38 Health Benefits Program<sup>1</sup> **[**. The term may also, upon adoption of an  
39 appropriate resolution therefor by the participating employer, include  
40 otherwise eligible employees, and their dependents, **]** or<sup>1</sup> who did not  
41 elect to continue coverage in the program during such time after the  
42 employer became a participating employer that the employer did not

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

**Matter underlined thus is new matter.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup> Senate floor amendments adopted February 25, 1999.

1 pay premium or periodic charges for benefits to retired employees and  
2 their dependents pursuant to this section. Eligibility and enrollment of  
3 such employees and dependents shall be in accordance with such rules  
4 and regulations as may be adopted by the State Health Benefits  
5 Commission.

6 The employer other than the State may, by resolution, pay the  
7 premium or periodic charges for the benefits provided to the surviving  
8 spouse of a retired employee and the employee's dependents covered  
9 under the program as provided in this section.

10 (2) 1. Notwithstanding the provisions of paragraph (1) of this  
11 subsection or of any other law to the contrary, from funds allocated  
12 therefor and upon the adoption and submission by the employer to the  
13 division of an appropriate resolution therefor, for each employee of  
14 an employer other than the State, as defined in section 4 of P.L.1964,  
15 c.125 (C.52:14-17.35), except an independent State authority, board,  
16 commission, corporation, agency, or organization deemed to be  
17 covered by section 6 of P.L.1996, c.8 (C.52:14-17.28b), who retires  
18 from a State- or locally administered retirement system, except an  
19 employee who elects deferred retirement, the employer may pay the  
20 premium or periodic charges for the health benefits provided to the  
21 retired employee and to the retired employee's dependents covered  
22 under the State Health Benefits Program, but not including survivors,  
23 and may reimburse the retired employee for premium charges under  
24 Part B of Medicare covering the retired employee and the employee's  
25 spouse, in accordance with the provisions concerning health benefits  
26 coverage in retirement, if any, which are in the collective negotiations  
27 agreement applicable to the employee at the time of the employee's  
28 retirement, or if an employee at the time of retirement has no majority  
29 representative for collective negotiations purposes, the employer may,  
30 in its sole discretion, modify the respective payment obligations set  
31 forth in P.L.1961, c.49 (C.52:14-17.25 et seq.), and any amendments  
32 and supplements thereto, for that retired employee and the retired  
33 employee's dependents in a manner consistent with the terms  
34 concerning health benefits coverage in retirement, if any, which are in  
35 any collective negotiations agreement binding upon the employer at  
36 the time of the employee's retirement.]

37 Notwithstanding the provisions of any other law to the contrary, the  
38 obligations of an employer other than the State, except an independent  
39 State authority, board, commission, corporation, agency, or  
40 organization deemed to be covered by section 6 of P.L.1996, c.8  
41 (C.52:14-17.28b) and except school boards whose employees are  
42 covered by section 3 of P.L.1987, c.384 (C.52:14-17.32f), section 2  
43 of P.L.1992, c.126 (C.52:14-17.32f1) and section 1 of P.L.1995,  
44 c.357 (C.52:14-17.32f2), to pay the premium or periodic charges for  
45 health benefits coverage under the provisions of paragraph (1) may be  
46 determined by means of a binding collective negotiations agreement,  
47 including any agreement in force at the time of the adoption of this act,

1 P.L.1999, c. (now pending before the Legislature as this bill). With  
2 respect to employees for whom there is no majority representative for  
3 collective negotiations purposes, the employer may, in its sole  
4 discretion, determine the payment obligations for the employer and the  
5 employees, except that if there are collective negotiations agreements  
6 binding upon the employer for employees who are within the same  
7 community of interest as employees in a collective negotiations unit  
8 but are excluded from participation in the unit by the "New Jersey  
9 Employer-Employee Relations Act," P.L.1941, c.100 (C.34:13A-1 et  
10 seq.), the payment obligations shall be determined in a manner  
11 consistent with the terms of any collective negotiations agreement  
12 applicable to the collective negotiations unit.

13 c. Notwithstanding the provisions of any other law to the contrary,  
14 the payment obligations of an employee of an employer other than the  
15 State, except an independent State authority, board, commission,  
16 corporation, agency, or organization, for health benefits coverage  
17 under subsection b. shall be the payment obligations applicable to the  
18 employee on the date the employee retires on a disability pension or  
19 the date the employee meets the service credit and service  
20 requirements for the employer payment for the coverage, as the case  
21 may be.<sup>1</sup>

22 (cf: P.L.1996, c.8, s.4)

23

24 2. This act shall take effect immediately.

*Office of the Governor*  
**NEWS RELEASE**

CONTACT: Gene Herman  
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RELEASE: March 15, 1999

Gov. Christie Whitman today signed the following pieces of legislation:

**A-2246**, sponsored by Assembly Members Joseph Azzolina (R-Middlesex/Monmouth) and Samuel D. Thompson (R-Middlesex/Monmouth) and Senators James S. Cafiero (R-Cape May/Atlantic/Cumberland) and Diane B. Allen (R-Burlington/Camden), amends the current stalking law and provides for temporary restraining orders to protect children and certain adults who are victims of stalking. The legislation amends the stalking statute to provide that a person is guilty of stalking when he or she purposely or knowingly engages in a course of conduct that would cause reasonable persons to fear bodily injury to themselves or family members. By removing the "subjective fear" requirement from the state statute, which required the victim to actually be put in fear, the statute now reaches circumstances where the victim, perhaps due to age or disability, is unable to perceive or understand the threat posed by the stalker. In addition, the bill expands the statute to reach circumstances where the stalker's intent may not have been to cause fear, but where the stalker knew that his or her conduct would cause a reasonable person to fear bodily injury or death. The bill also allows the parent or guardian of a minor or mentally-disabled stalking victim to apply for a temporary restraining order to prevent the stalker from having contact with the victim. The temporary restraining order may remain in place until a conviction is secured or the parent or guardian requests that it be lifted and the court finds just cause to do so.

**S-1093**, sponsored by Senators Gerald Cardinale (R-Bergen) and Raymond J. Lesniak (D-Union), amends the "Franchise Practices Act" in regard to motor vehicle franchises. The bill clarifies and reinforces existing law so that motor vehicle dealers will not be drawn into costly litigation in order to protect their rights and the consumer interest in the franchise system. The bill clarifies current aspects of the law that prohibit motor vehicle manufacturers from refusing a dealer the opportunity to sell all models manufactured for that line-make. In addition, the legislation prohibits a manufacturer from opening separate service centers, except in cooperation with an existing motor vehicle franchise. The legislation provides a number of protections for motor vehicle dealers, many involving warranty issues. Currently, the "Franchise Practices Act" requires motor vehicle manufacturers to reimburse their dealers for the warranty repairs made by the dealer. Dealers are reimbursed at the rate at which they charge their customers for similar work. However, dealers have been subjected to costly litigation when manufacturers challenged the method used to calculate the retail price. The bill clarifies this along with other warranty issues by (1) defining how a dealer's rate for parts reimbursement is to be calculated; (2) extending the retail reimbursement requirement to services and repair plans administered by manufacturers; (3) requiring the manufacturer to make payment equivalent to the dealer's average percentage markup when a warranty part is delivered in bulk (engine and transmission assemblies are the exception and the markup is specified at 30 % due to high cost); and (4) placing limits on the time within which the manufacturer must pay a dealer for an audit for warranty reimbursement claims.

**A-2839**, sponsored by Assembly Members Joseph V. Doria, Jr. (D- Hudson) and Paul DiGaetano (R-Bergen/Essex/Passaic) and Senator Edward T. O'Connor, Jr. (D-Hudson), allows local governments to participate in the State Health Benefits Program (SHBP) in a manner that is competitive with private insurers. Local governments will be allowed to participate in the SHBP in a competitive manner by negotiating health benefits for retirees. Currently, local governments are only allowed to negotiate health benefits for retirees with private insurers. Allowing the SHBP to be part of the competitive process will allow interested local governments to receive the benefits of the state's lower administrative costs.

**A-1913**, sponsored by Assembly Members John S. Wisniewski (D- Middlesex) and Christopher "Kip" Bateman (R-Morris/Somerset) and Senators Joseph F. Vitale (D-Middlesex) and Jack Sinagra (R-Middlesex), requires health insurers to cover anesthetic procedures associated with dental surgery and other procedures. The bill requires health insurers and health maintenance organizations to provide coverage for dental services provided to any covered person who is severely disabled or who is a child, age five or under, for (1) general anesthesia and hospital charges or (2) a medical condition requiring hospitalization or general anesthesia for dental services, regardless of where treatment is provided. The anesthetic procedures that would be covered by this bill are procedures that would not be required on a typical, healthy, adult, but, instead, would be necessary on a person with severe disabilities or on a young child that could not otherwise sit still for the dental procedure. The bill also provides that an insurer or health maintenance organization may require prior authorization of hospitalization for dental procedures in the same manner that prior authorization is required for other covered diseases or conditions.