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P.L. 1999, CHAPTER 382, *approved January 14, 2000*
Assembly, No. 939 (*First Reprint*)

1 **AN ACT** concerning the health care benefits in retirement of certain
2 county college employees and amending P.L.1992, c.126.

3

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

6

7 1. Section 2 of P.L.1992, c.126 (C.52:14-17.32f1) is amended to
8 read as follows:

9 2. The provisions of section 3 of P.L.1987, c.384 (C.52:14-17.32f)
10 shall apply to:

11 a. any employee of a board of education who retires on a benefit
12 based upon 25 or more years of service credit in the Public Employees'
13 Retirement System (P.L.1954, c.84; C.43:15A-1 et seq.), or retires on
14 a disability pension based upon fewer years of service credit in that
15 system, or elected deferred retirement based upon 25 or more years of
16 service credit and receives a retirement allowance from that system;

17 **[and]**

18 b. any employee of a county college who retires on a benefit based
19 upon 25 or more years of service credit in the Public Employees'
20 Retirement System (P.L.1954, c.84; C.43:15A-1 et seq.), or retires on
21 a disability pension based upon fewer years of service credit in that
22 system, or elected deferred retirement based upon 25 or more years of
23 service credit and receives a retirement allowance from that system; or
24 who retires on a benefit based upon 25 or more years of service credit
25 in the alternate benefit program (P.L.1969, c.242; C.18A:66-167 et
26 seq.), or who receives a disability benefit pursuant to section 18 of
27 P.L.1969, c.242 (C.18A:66-184); and

28 c. any employee of a county college who retires on a benefit based
29 upon 10 or more years of service credit in the alternate benefit
30 program (P.L.1969, c.242; C.18A:66-167 et seq.) and who has
31 additional years of service credited in another defined contribution
32 retirement program as an employee of a private institution of higher
33 education which, under contract with a county government, provided
34 services as a county college and subsequently merged with a county
35 technical institute to become a county college, which additional years
36 of service when added to the service credited in the alternate benefit
37 program totals 25 or more years¹ and any such employee who retired
38 prior to the effective date of P.L. , c. (now pending before the
39 Legislature as this bill) if the employee applies to the program for
40 coverage within one year after the effective date of P.L. , c. (now

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:

¹ Assembly floor amendments adopted June 25, 1998.

1 pending before the Legislature as this bill)¹, except that the costs of
2 the premium or periodic charges for the benefits and reimbursement of
3 medicare premiums provided to a retiree and the dependents of the
4 retiree under this section shall be paid by the State.

5 **【An employee who retired prior to the effective date of this act is**
6 **eligible for the coverage if the employee applies to the program for it**
7 **within one year after the effective date.】**

8 (cf: P.L.1992, c.126, s.2)

9

10 2. This act shall take effect immediately.

11

12

13

14

15 Credits certain private college service toward paid health care benefits
16 for certain county college retirees.

ASSEMBLY, No. 939

STATE OF NEW JERSEY 208th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 1998 SESSION

Sponsored by:

Assemblyman ALAN M. AUGUSTINE

District 22 (Middlesex, Morris, Somerset and Union)

Assemblyman RICHARD H. BAGGER

District 22 (Middlesex, Morris, Somerset and Union)

SYNOPSIS

Credits certain private college service toward paid health care benefits for certain county college retirees.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning the health care benefits in retirement of certain
2 county college employees and amending P.L.1992, c.126.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 2 of P.L.1992, c.126 (C.52:14-17.32f1) is amended to
8 read as follows:

9 2. The provisions of section 3 of P.L.1987, c.384 (C.52:14-17.32f)
10 shall apply to:

11 a. any employee of a board of education who retires on a benefit
12 based upon 25 or more years of service credit in the Public Employees'
13 Retirement System (P.L.1954, c.84; C.43:15A-1 et seq.), or retires on
14 a disability pension based upon fewer years of service credit in that
15 system, or elected deferred retirement based upon 25 or more years of
16 service credit and receives a retirement allowance from that system;

17 **[and]**

18 b. any employee of a county college who retires on a benefit based
19 upon 25 or more years of service credit in the Public Employees'
20 Retirement System (P.L.1954, c.84; C.43:15A-1 et seq.), or retires on
21 a disability pension based upon fewer years of service credit in that
22 system, or elected deferred retirement based upon 25 or more years of
23 service credit and receives a retirement allowance from that system; or
24 who retires on a benefit based upon 25 or more years of service credit
25 in the alternate benefit program (P.L.1969, c.242; C.18A:66-167 et
26 seq.), or who receives a disability benefit pursuant to section 18 of
27 P.L.1969, c.242 (C.18A:66-184); and

28 c. any employee of a county college who retires on a benefit based
29 upon 10 or more years of service credit in the alternate benefit
30 program (P.L.1969, c.242; C.18A:64-167 et seq.) and who has
31 additional years of service credited in another defined contribution
32 retirement program as an employee of a private institution of higher
33 education which, under contract with a county government, provided
34 services as a county college and subsequently merged with a county
35 technical institute to become a county college, which additional years
36 of service when added to the service credited in the alternate benefit
37 program totals 25 or more years, except that the costs of the premium
38 or periodic charges for the benefits and reimbursement of medicare
39 premiums provided to a retiree and the dependents of the retiree under
40 this section shall be paid by the State.

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 【An employee who retired prior to the effective date of this act is
2 eligible for the coverage if the employee applies to the program for it
3 within one year after the effective date.】

4 (cf: P.L.1992, c.126, s.2)

5

6 2. This act shall take effect immediately.

7

8

9

STATEMENT

10

11 This bill adds to the list of those retirees eligible for State-paid
12 health care benefits in the State Health Benefits Program (SHBP) any
13 employee of a county college who (1) retires on a benefit based upon
14 10 or more years of service credit in the alternate benefit program
15 (ABP) and (2) has additional years of service credited in another
16 defined contribution retirement program as an employee of a private
17 institution of higher education which, under contract with a county
18 government, provided services as a county college and subsequently
19 merged with a county technical institute to become a county college,
20 which additional years of service when added to the service credited
21 in ABP totals 25 or more years.

22 Currently, any employee of a county college who retires on a
23 benefit based upon 25 or more years of service credit in ABP or the
24 Public Employees' Retirement System is eligible for paid SHBP health
25 benefits in retirement. The cost of providing the benefit is assumed by
26 the State.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 939

STATE OF NEW JERSEY

DATED: JUNE 4, 1998

The Assembly State Government Committee reports favorably Assembly, No. 939.

This bill adds to the list of those retirees eligible for State-paid health care benefits in the State Health Benefits Program (SHBP) any employee of a county college who (1) retires on a benefit based upon 10 or more years of service credit in the alternate benefit program (ABP) and (2) has additional years of service credited in another defined contribution retirement program as an employee of a private institution of higher education which, under contract with a county government, provided services as a county college and subsequently merged with a county technical institute to become a county college, which additional years of service when added to the service credited in ABP totals 25 or more years.

Currently, any employee of a county college who retires on a benefit based upon 25 or more years of service credit in ABP or the Public Employees' Retirement System is eligible for paid SHBP health benefits in retirement. The cost of providing the benefit is assumed by the State.

This bill was prefiled for introduction in the 1998 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 939

STATE OF NEW JERSEY

DATED: JUNE 22, 1998

The Assembly Appropriations Committee reports favorably Assembly Bill No. 939.

Assembly Bill No. 939 permits an employee of a county college with ten or more years of service credit in the alternate benefit program (ABP) to combine those ABP credited years with service credited in certain other retirement programs, to qualify for State-paid health care benefits in the State Health Benefits Program (SHBP) if the years of service total 25 years or more.

Currently, any employee of a county college who retires on a benefit based upon 25 or more years of service credit in ABP or the Public Employees' Retirement System is eligible for paid SHBP health benefits in retirement. The cost of providing the benefit is assumed by the State.

This bill allows the combination of ABP credited years with service credited in another defined contribution retirement program as an employee of a private institution of higher education which, under contract with a county government, provided services as a county college and subsequently merged with a county technical institute to become a county college.

FISCAL IMPACT:

The Office of Legislative Services (OLS) believes the bill will only apply to certain employees of Union County College. Information supplied by Union County College indicates that there are approximately 55 employees of the former private institution Union College, merged into the former county technical institute to become Union County College, who would qualify for this benefit. Because the ABP is not administered by the State, the Division of Pensions and Benefits and the OLS do not have information available to verify this figure. Also, the actuarial information on these individuals necessary to calculate the cost of this additional benefit is not available.

However, if these individuals closely approximate the actuarial experience of the membership of the Teachers' Pension and Annuity Fund, then the present value cost of providing post-retirement medical

benefits to the 55 former employees of Union College is estimated to be approximately \$2.1 million. The bill does not specify a funding methodology. The estimated first-year cost of pay-as-you-go financing (a methodology that requires the lowest initial State appropriations but that will increase sharply over time as additional members retire and are eligible to receive this benefit and as the cost of providing health benefits to retirees increases) is approximately \$57,000.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 939

STATE OF NEW JERSEY

DATED: DECEMBER 13, 1999

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 939 (1R).

Senate Bill No. 1827 permits an employee of a county college retiring on a benefit based on ten or more years of service under the alternate benefit program (ABP) to combine those ABP-covered years with service rendered as a member of certain other retirement programs for purposes of meeting the 25-year service requirement to qualify for State-paid health care benefits in the State Health Benefits Program (SHBP).

Currently, any employee of a county college who retires on a benefit based upon 25 or more years of service credit in ABP or the Public Employees' Retirement System is eligible for paid SHBP coverage in retirement. The cost of providing the benefit is assumed by the State.

This bill allows a county college employee whose ABP credit is based upon at least 10 years of ABP-covered service, for purposes of qualifying for paid SHBP coverage, to combine that service credit with service credited in another defined contribution retirement program as an employee of a private institution of higher education which, under contract with a county government, provided services as a county college and subsequently merged with a county technical institute to become a county college. The bill includes a provision allowing for extension of post-retirement SHBP coverage to a former county college employee who would have met the service eligibility requirement for such coverage if the employee's service been computed at the time of retirement under the "combination" method authorized under the bill, provided the person applies for the coverage within one year of the date on which the legislation is enacted.

This bill is identical to Senate Bill No. 1827, also reported this day by the committee.

FISCAL IMPACT

The Office of Legislative Services (OLS) believes the bill will only apply to certain employees of Union County College. Information supplied by Union County College indicates that there are approximately 55 employees of the former private institution Union

College, merged into the former county technical institute to become Union County College, who would qualify for this benefit. Because the ABP is not administered by the State, the Division of Pensions and Benefits and the OLS do not have information available to verify this figure. Also, the actuarial information on these individuals necessary to calculate the cost of this additional benefit is not available.

However, if these individuals closely approximate the actuarial experience of the membership of the Teachers' Pension and Annuity Fund, then the present value cost of providing post-retirement medical benefits to the 55 former employees of Union College is estimated to be approximately \$2.1 million. The bill does not specify a funding methodology. The estimated first-year cost of pay-as-you-go financing (a methodology that requires the lowest initial State appropriations but that will increase sharply over time as additional members retire and are eligible to receive this benefit and as the cost of providing health benefits to retirees increases) is approximately \$57,000.

STATEMENT TO
ASSEMBLY, No. 939

with Assembly Floor Amendments
(Proposed By Assemblyman BAGGER)

ADOPTED: JUNE 25, 1998

These amendments correct an inequity for certain former county college employees who have already retired.

The bill permits an employee of a county college with ten or more years of service credit in the alternate benefit program (ABP) to combine those ABP credited years with service credited as an employee of a private institution of higher education which, under contract with a county government, provided services as a county college and subsequently merged with a county technical institute to become a county college, to qualify for State-paid health care benefits in the State Health Benefits Program (SHBP) if the years of service total 25 years or more.

The bill will only apply to certain employees of Union County College. Information supplied by Union County College indicates that there are approximately 55 employees of the former private institution Union College, merged into the former county technical institute to become Union County College, who would qualify for this benefit.

However, the bill only applies to future retirees. The bill would not correct the problem for the approximately 6 employees who have already retired.

These amendments would fix that problem by allowing those few employees who have already retired to qualify for State health benefits (for prospective medical costs) if they apply for the benefits within one year of the bill's enactment.

LEGISLATIVE FISCAL ESTIMATE

ASSEMBLY, No. 939

STATE OF NEW JERSEY

208th LEGISLATURE

DATED: APRIL 17, 1998

Assembly Bill No. 939 of 1998 permits county college employees with 10 or more years of service credit in the Alternate Benefit Program (ABP) to combine their service credited in the ABP with additional years of service credited in another defined contribution retirement program as an employee of a certain private institution of higher education to qualify for State-paid post-retirement medical coverage in the State Health Benefits Program (SHBP) if the years of service total 25 years or more.

Under current law, P.L.1992, c.126, any employee of a county college who retires on a benefit based upon 25 or more years of service credit in the ABP or the Public Employees' Retirement System (PERS) is eligible for State-paid post-retirement medical benefits in the SHBP.

The Office of Legislative Services (OLS) believes the provisions of this bill will only apply to certain employees of Union County College. In 1982, Union College, a private institution of higher education, and Union County Technical Institute, a post-secondary institute of a county board of vocational education, combined to form Union County College. Prior to this formal merger, Union College, as a private institution under contract, received public funds to provide some services of a county college. The employees of the private institution and the full-time employees of the County Technical Institute became employees of the newly created Union County College. Eligible employees were enrolled in the ABP. Employees of the private Union College previously enrolled in the TIAA-CREF program at that institution, but ineligible for membership in the State's ABP, continued in that TIAA-CREF program. All new employees not eligible for enrollment in the ABP enrolled in PERS, if otherwise eligible. Under current law, the Division of Pensions and Benefits does not recognize service at the private institution, Union College, as public service.

According to Mr. Roy Smith, the Vice President for Institutional Advancement, Union County College, there are approximately 55 employees who had service at the private institution Union College who would qualify for this benefit. Because the ABP is not

administered by the State, neither the Division of Pensions and Benefits nor the OLS has information available to verify this figure. It should also be noted, that the actuarial information (i.e., marital status, sex, and age at retirement) on these individuals, necessary to calculate the cost of this additional benefit, is not available.

To calculate an estimate of the cost, the OLS assumes these individuals closely approximate the actuarial experience of the membership of the Teachers' Pension and Annuity Fund (TPAF). Based on the most recent actuarial valuation of the TPAF, 80 percent of the employees are married, approximately 34 percent will retire by age 60, 55 percent will retire by age 65 and the remainder are assumed to retire by age 70. According to the actuarial valuation, the per capita costs for post-retirement medical benefits were \$2,716.80 for retirees under age 65 (pre-Medicare) and \$2,005.20 for retirees age 65 and above (Medicare eligible) in 1996.

The OLS notes that State-paid post-retirement medical benefits are a lifetime cost payable over the remaining lifetime of the retiree. The present value cost of providing this benefit to 55 former employees of Union College is estimated to be approximately \$2.1 million. Because this bill does not specify a funding methodology the State can finance this benefit on a pay-as-you-go basis. Pay-as-you-go financing initially requires the lowest annual State appropriations; however, the annual appropriations will increase sharply over time as additional members retire and are eligible to receive this benefit and as the cost of providing health benefits to retirees increase. The OLS estimates the first-year cost, on a pay-as-you-go basis, at approximately \$57,000.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

SENATE, No. 1827

STATE OF NEW JERSEY
208th LEGISLATURE

INTRODUCED MAY 6, 1999

Sponsored by:

Senator C. LOUIS BASSANO

District 21 (Essex and Union)

Senator DONALD T. DIFRANCESCO

District 22 (Middlesex, Morris, Somerset and Union)

SYNOPSIS

Credits certain private college service toward paid health care benefits for certain county college retirees.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the health care benefits in retirement of certain
2 county college employees and amending P.L.1992, c.126.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. Section 2 of P.L.1992, c.126 (C.52:14-17.32f1) is amended to
8 read as follows:

9 2. The provisions of section 3 of P.L.1987, c.384 (C.52:14-17.32f)
10 shall apply to:

11 a. any employee of a board of education who retires on a benefit
12 based upon 25 or more years of service credit in the Public Employees'
13 Retirement System (P.L.1954, c.84; C.43:15A-1 et seq.), or retires on
14 a disability pension based upon fewer years of service credit in that
15 system, or elected deferred retirement based upon 25 or more years of
16 service credit and receives a retirement allowance from that system;

17 **[and]**

18 b. any employee of a county college who retires on a benefit based
19 upon 25 or more years of service credit in the Public Employees'
20 Retirement System (P.L.1954, c.84; C.43:15A-1 et seq.), or retires on
21 a disability pension based upon fewer years of service credit in that
22 system, or elected deferred retirement based upon 25 or more years of
23 service credit and receives a retirement allowance from that system; or
24 who retires on a benefit based upon 25 or more years of service credit
25 in the alternate benefit program (P.L.1969, c.242; C.18A:66-167 et
26 seq.), or who receives a disability benefit pursuant to section 18 of
27 P.L.1969, c.242 (C.18A:66-184); and

28 c. any employee of a county college who retires on a benefit based
29 upon 10 or more years of service credit in the alternate benefit
30 program (P.L.1969, c.242; C.18A:66-167 et seq.) and who has
31 additional years of service credited in another defined contribution
32 retirement program as an employee of a private institution of higher
33 education which, under contract with a county government, provided
34 services as a county college and subsequently merged with a county
35 technical institute to become a county college, which additional years
36 of service when added to the service credited in the alternate benefit
37 program totals 25 or more years and any such employee who retired
38 prior to the effective date of P.L. , c. (now pending before the
39 Legislature as this bill) if the employee applies to the program for
40 coverage within one year after the effective date of P.L. , c. (now
41 pending before the Legislature as this bill), except that the costs of the
42 premium or periodic charges for the benefits and reimbursement of
43 medicare premiums provided to a retiree and the dependents of 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 retiree under this section shall be paid by the State.

2 **【An employee who retired prior to the effective date of this act is**
3 **eligible for the coverage if the employee applies to the program for it**
4 **within one year after the effective date.】**

5 (cf: P.L.1992, c.126, s.2)

6

7 2. This act shall take effect immediately.

8

9

10 STATEMENT

11

12 The bill permits an employee of a county college with ten or more
13 years of service credit in the alternate benefit program (ABP) to
14 combine those ABP credited years with service credited as an
15 employee of a private institution of higher education which, under
16 contract with a county government, provided services as a county
17 college and subsequently merged with a county technical institute to
18 become a county college, to qualify for State-paid health care benefits
19 in the State Health Benefits Program (SHBP) if the years of service
20 total 25 years or more.

21 The bill will only apply to certain employees of Union County
22 College. Information supplied by Union County College indicates that
23 there are approximately 55 employees of the former private institution
24 Union College, merged into the former county technical institute to
25 become Union County College, who would qualify for this benefit.

26 The bill also allows those few employees who have already retired
27 to qualify for State health benefits (for prospective medical costs) if
28 they apply for the benefits within one year of the bill's enactment.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1827

STATE OF NEW JERSEY

DATED: DECEMBER 13, 1999

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1827.

This bill permits an employee of a county college retiring on a benefit based on ten or more years of service under the alternate benefit program (ABP) to combine those ABP-covered years with service rendered as a member of certain other retirement programs for purposes of meeting the 25-year service requirement to qualify for State-paid health care benefits in the State Health Benefits Program (SHBP).

Currently, any employee of a county college who retires on a benefit based upon 25 or more years of service credit in ABP or the Public Employees' Retirement System is eligible for paid SHBP coverage in retirement. The cost of providing the benefit is assumed by the State.

This bill allows a county college employee whose ABP credit is based upon at least 10 years of ABP-covered service, for purposes of qualifying for paid SHBP coverage, to combine that service credit with service credited in another defined contribution retirement program as an employee of a private institution of higher education which, under contract with a county government, provided services as a county college and subsequently merged with a county technical institute to become a county college. The bill includes a provision allowing for extension of post-retirement SHBP coverage to a former county college employee who would have met the service eligibility requirement for such coverage if the employee's service been computed at the time of retirement under the "combination" method authorized under the bill, provided the person applies for the coverage within one year of the date on which the legislation is enacted.

This bill is identical to Assembly Bill No. 939 (1R), also reported this day by the committee.

FISCAL IMPACT

The Office of Legislative Services (OLS) believes the bill will only apply to certain employees of Union County College. Information supplied by Union County College indicates that there are approximately 55 employees of the former private institution Union College, merged into the former county technical institute to become

Union County College, who would qualify for this benefit. Because the ABP is not administered by the State, the Division of Pensions and Benefits and the OLS do not have information available to verify this figure. Also, the actuarial information on these individuals necessary to calculate the cost of this additional benefit is not available.

However, if these individuals closely approximate the actuarial experience of the membership of the Teachers' Pension and Annuity Fund, then the present value cost of providing post-retirement medical benefits to the 55 former employees of Union College is estimated to be approximately \$2.1 million. The bill does not specify a funding methodology. The estimated first-year cost of pay-as-you-go financing (a methodology that requires the lowest initial State appropriations but that will increase sharply over time as additional members retire and are eligible to receive this benefit and as the cost of providing health benefits to retirees increases) is approximately \$57,000.

LEGISLATIVE FISCAL ESTIMATE

SENATE, No. 1827

STATE OF NEW JERSEY

208th LEGISLATURE

DATED: JANUARY 4, 2000

Senate Bill No. 1827 of 1999 permits county college employees with 10 or more years of service credit in the Alternate Benefit Program (ABP) to combine their service credited in the ABP with additional years of service credited in another defined contribution retirement program as an employee of a certain private institution of higher education to qualify for State-paid post-retirement medical coverage in the State Health Benefits Program (SHBP) if the years of service total 25 years or more. Under current law, P.L.1992, c.126 (C.52:14-17.32f), any employee of a county college who retires on a benefit based upon 25 or more years of service credit in the ABP or the Public Employees' Retirement System (PERS) is eligible for State-paid post-retirement medical benefits in the SHBP.

The Office of Legislative Services (OLS) believes the provisions of this bill will only apply to certain employees of Union County College. In 1982, Union College, a private institution of higher education, and Union County Technical Institute, a post-secondary institute of a county board of vocational education, combined to form Union County College. Prior to this formal merger, Union College, as a private institution under contract, received public funds to provide some services of a county college. The employees of the private institution and the full-time employees of the County Technical Institute became employees of the newly created Union County College. Eligible employees were enrolled in the ABP. Employees of the private Union College who were previously enrolled in the TIAA-CREF program at that institution but ineligible for membership in the State's ABP continued in the TIAA-CREF program. All new employees not eligible for enrollment in the ABP enrolled in PERS, if otherwise eligible. Under current law, the Division of Pensions and Benefits does not recognize service at the private institution, Union College, as public service.

A fiscal estimate prepared on the identical Assembly bill states that there are approximately 55 employees who had service at the private institution (Union College) who would qualify for this benefit, according to the former Vice President for Institutional Advancement of Union County College. Because the ABP is not administered by the

State, neither the Division of Pensions and Benefits nor the OLS has information available to verify this figure. It should also be noted, that the actuarial information (i.e., marital status, sex, and age at retirement) on these individuals, necessary to calculate the cost of this additional benefit, is not available.

To calculate an estimate of the cost, the OLS assumed these individuals closely approximate the actuarial experience of the membership of the Teachers' Pension and Annuity Fund (TPAF), i.e. 80 percent of the employees are married, approximately 34 percent will retire by age 60, 55 percent will retire by age 65 and the remainder are assumed to retire by age 70, as of the most recent actuarial valuation of the TPAF available when the fiscal estimate on the Assembly bill was prepared. According to the actuarial valuation, the per capita costs for post-retirement medical benefits were \$2,716.80 for retirees under age 65 (pre-Medicare) and \$2,005.20 for retirees age 65 and above (Medicare eligible) in 1996.

The OLS notes that State-paid post-retirement medical benefits are a lifetime cost payable over the remaining lifetime of the retiree. The present value cost of providing this benefit to 55 former employees of Union College was estimated to be approximately \$2.1 million.

Because this bill does not specify a funding methodology, the State can finance this benefit on a pay-as-you-go basis. Pay-as-you-go financing initially requires the lowest annual State appropriations; however, the annual appropriations will increase sharply over time as additional members retire and are eligible to receive this benefit and as the cost of providing health benefits to retirees increase. The OLS estimated the first-year cost, on a pay-as-you-go basis, at approximately \$57,000.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.