

18A:66-54

**LEGISLATIVE HISTORY CHECKLIST**  
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(Teachers--pensions--dental deductions)

NJSA: 18A:66-54

LAWS OF: 1997 CHAPTER: 332

BILL NO: S119

SPONSOR(S): Palaia

DATE INTRODUCED: Pre-filed

COMMITTEE: ASSEMBLY: State Government; Appropriations  
SENATE: Budget

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: ASSEMBLY: December 18, 1997  
SENATE: January 27, 1997

DATE OF APPROVAL: January 12, 1998

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes  
SENATE: Yes

FISCAL NOTE: Yes

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBP:pp

P.L. 1997, CHAPTER 332, *approved January 12, 1998*  
Senate, No. 119 (*Second Reprint*)

1 AN ACT concerning <sup>1</sup>[optional]<sup>1</sup> deductions <sup>1</sup>for payment of <sup>2</sup>certain<sup>2</sup>  
2 dental insurance premiums<sup>1</sup> from the retirement allowances <sup>1</sup>or  
3 pensions<sup>1</sup> of the Teachers' Pension and Annuity Fund and the  
4 Public Employees' Retirement System<sup>1</sup> and amending [and  
5 supplementing subtitle 10 of Title 18A of the New Jersey Statutes]  
6 N.J.S.18A:66-54 and P.L.1954, c.84<sup>1</sup>.

7  
8 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
9 *of New Jersey:*

10

11 1. N.J.S.18A:66-54 is amended to read as follows:

12 18A:66-54. If possible, whenever any beneficiary of the teachers'  
13 pension and annuity fund shall, in writing, request the Division of  
14 Pensions and Benefits to make deductions from [his] the beneficiary's  
15 retirement allowance or pension for the payment of premiums for the  
16 pensioners' group health or dental insurance plan or the State Health  
17 Benefits Program, the division may make such deductions and transmit  
18 the sum so deducted to the companies carrying the policies. Any such  
19 written authorization may be withdrawn by any beneficiary upon filing  
20 notice of such withdrawal with the division. <sup>2</sup>Deductions for the  
21 payment of the premiums for a group dental insurance plan shall be  
22 made by the division only if 1,000 or more beneficiaries covered by  
23 that plan have made written requests for deductions.<sup>2</sup>

24 (cf: P.L.1971, c.121, s.29)

25

26 <sup>1</sup>[2. (New section) Whenever any beneficiary of the retirement  
27 system shall request in writing that the Division of Pensions and  
28 Benefits make a deduction from the beneficiary's retirement allowance  
29 for the purpose of paying the beneficiary's dues to a bona fide  
30 professional organization, designated by the beneficiary in the request

**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 SSM committee amendments adopted November 25, 1996.

<sup>2</sup> Senate SBA committee amendments adopted January 14, 1997.

1 and of which the beneficiary is a member, the division shall make the  
2 deduction from the retirement allowance and transmit the sum so  
3 deducted to the designated organization. Any such written  
4 authorization may be withdrawn by any beneficiary upon filing notice  
5 of the withdrawal with the division.]<sup>1</sup>

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7 <sup>1</sup>2. Section 72 of P.L.1954, c.84 (C.43:15A-72) is amended to read  
8 as follows:

9 72. If possible, whenever any beneficiary of the Public Employees'  
10 Retirement System of New Jersey shall, in writing, request the  
11 Division of Pensions and Benefits to make deductions from [his] the  
12 beneficiary's retirement allowance or pension for the payment of  
13 premiums for the pensioners' group health or dental insurance plan or  
14 the State Health Benefits Program, the division may make such  
15 deductions and transmit the sum so deducted to the companies  
16 carrying the policies. Any such written authorization may be  
17 withdrawn by any beneficiary upon filing notice of such withdrawal  
18 with the division.<sup>1</sup> <sup>2</sup>Deductions for the payment of the premiums for a  
19 group dental insurance plan shall be made by the division only if 1,000  
20 or more beneficiaries covered by that plan have made written requests  
21 for deductions.<sup>2</sup>

22 (cf: P.L.1971, c.213, s.32)

23

24 3. This act shall take effect immediately.

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29 Requires deductions for payment of certain dental insurance premiums  
30 from TPAF and PERS retirement allowances or pensions.

## STATEMENT

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3 This bill provides for optional deductions from the retirement  
4 allowance of a beneficiary of the Teachers' Pension and Annuity Fund  
5 (TPAF). Current law provides that, if possible, whenever any  
6 beneficiary of TPAF requests in writing that the Division of Pensions  
7 and Benefits make deductions from the beneficiary's retirement  
8 allowance or pension for the payment of premiums for the pensioners'  
9 group health insurance plan or the State Health Benefits Program, the  
10 division may make such deductions and transmit the sum so deducted  
11 to the companies carrying the policies. The bill would add a group  
12 dental insurance plan to the permitted deductions that may be  
13 requested.

14 The bill also provides that whenever any TPAF beneficiary shall so  
15 request in writing, the Division of Pensions and Benefits shall make a  
16 deduction from the beneficiary's retirement allowance for the purpose  
17 of paying the beneficiary's dues to a bona fide professional  
18 organization, designated by the employee in the request and of which  
19 the beneficiary is a member, and shall transmit the sum so deducted to  
20 the designated organization. The bill provides to the retired members  
21 of TPAF the convenience of having dues for organizations such as the  
22 New Jersey Education Association or the New Jersey Retired  
23 Education Association deducted automatically from their retirement  
24 allowances.

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29 Provides for optional deductions from TPAF retirement allowances.

# STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Senators PALAIA, Ciesla, Cafiero, Matheussen, Inverso and  
Kyrillos

1 AN ACT concerning <sup>1</sup>[optional]<sup>1</sup> deductions <sup>1</sup>for payment of  
2 <sup>2</sup>certain<sup>2</sup> dental insurance premiums<sup>1</sup> from the retirement  
3 allowances <sup>1</sup>or pensions<sup>1</sup> of the Teachers' Pension and Annuity  
4 Fund <sup>1</sup>and the Public Employees' Retirement System<sup>1</sup> and amending  
5 <sup>1</sup>[and supplementing subtitle 10 of Title 18A of the New Jersey  
6 Statutes] N.J.S.18A:66-54 and P.L.1954, c.84<sup>1</sup>.

7  
8 BE IT ENACTED by the Senate and General Assembly of the State  
9 of New Jersey:

10  
11 1. N.J.S.18A:66-54 is amended to read as follows:  
12 18A:66-54. If possible, whenever any beneficiary of the teachers'  
13 pension and annuity fund shall, in writing, request the Division of  
14 Pensions and Benefits to make deductions from **[his]** the beneficiary's  
15 retirement allowance or pension for the payment of premiums for the  
16 pensioners' group health or dental insurance plan or the State Health  
17 Benefits Program, the division may make such deductions and transmit  
18 the sum so deducted to the companies carrying the policies. Any such  
19 written authorization may be withdrawn by any beneficiary upon filing  
20 notice of such withdrawal with the division. <sup>2</sup>Deductions for the  
21 payment of the premiums for a group dental insurance plan shall be  
22 made by the division only if 1,000 or more beneficiaries covered by  
23 that plan have made written requests for deductions.<sup>2</sup>  
24 (cf: P.L.1971, c.121, s.29)

25  
26 <sup>1</sup>[2. (New section) Whenever any beneficiary of the retirement  
27 system shall request in writing that the Division of Pensions and  
28 Benefits make a deduction from the beneficiary's retirement allowance  
29 for the purpose of paying the beneficiary's dues to a bona fide  
30 professional organization, designated by the beneficiary in the request

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 SSM committee amendments adopted November 25, 1996.

<sup>2</sup> Senate SBA committee amendments adopted January 14, 1997.

1 and of which the beneficiary is a member, the division shall make the  
2 deduction from the retirement allowance and transmit the sum so  
3 deducted to the designated organization. Any such written  
4 authorization may be withdrawn by any beneficiary upon filing notice  
5 of the withdrawal with the division.]<sup>1</sup>

6

7 <sup>1</sup>2. Section 72 of P.L.1954, c.84 (C.43:15A-72) is amended to read  
8 as follows:

9 72. If possible, whenever any beneficiary of the Public Employees'  
10 Retirement System of New Jersey shall, in writing, request the  
11 Division of Pensions and Benefits to make deductions from [his] the  
12 beneficiary's retirement allowance or pension for the payment of  
13 premiums for the pensioners' group health or dental insurance plan or  
14 the State Health Benefits Program, the division may make such  
15 deductions and transmit the sum so deducted to the companies  
16 carrying the policies. Any such written authorization may be  
17 withdrawn by any beneficiary upon filing notice of such withdrawal  
18 with the division.<sup>1</sup> <sup>2</sup>Deductions for the payment of the premiums for  
19 a group dental insurance plan shall be made by the division only if  
20 1,000 or more beneficiaries covered by that plan have made written  
21 requests for deductions.<sup>2</sup>

22 (cf: P.L.1971, c.213, s.32)

23

24 3. This act shall take effect immediately.

25

26

27

28

29 Requires deductions for payment of certain dental insurance premiums  
30 from TPAF and PERS retirement allowances or pensions.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[Second Reprint]  
SENATE, No. 119

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**STATE OF NEW JERSEY**

DATED: NOVEMBER 6, 1997

The Assembly Appropriations Committee reports favorably Senate Bill No. 119 (2R).

Senate Bill No. 119 (2R) allows plan beneficiaries of the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS) to opt for deduction of their dental insurance premiums from their retirement allowances.

Current law provides that, if possible, whenever a beneficiary of TPAF or PERS requests in writing that the Division of Pensions and Benefits make deductions from the beneficiary's retirement allowance or pension for the payment of premiums for the beneficiary's group health insurance plan or the State Health Benefits Program, the division may make the deductions and transmit the sums deducted to the insurance plan carrier. The bill extends this deduction authorization option to the beneficiaries' dental insurance plan premiums, subject to the condition that at least 1,000 beneficiaries covered by a dental plan would have to request the deduction before the division would be required to make deductions from that plan.

The committee recommends that floor amendments be adopted to the bill that would encourage the State Treasurer and the Division of Pensions and Benefits to negotiate with each provider of a group dental insurance plan for which deductions are made pursuant to this bill for the payment of a reasonable administrative fee to be paid to the State to cover the administrative costs of making the deductions.

This bill is identical to Assembly Bill No. 1670 (1R) as reported by this committee.

FISCAL IMPACT:

The bill is expected to have minimal fiscal impact. The dental premium option would be administered as an adjunct to the existing health insurance deduction program.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

[Second Reprint]

SENATE, No. 119

**STATE OF NEW JERSEY**

DATED: MAY 1, 1997

The Assembly State Government Committee reports favorably Senate Bill No. 119 (2R).

This bill provides for optional deductions of dental insurance premiums from the retirement allowance of a beneficiary of the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System.

Current law provides that, if possible, whenever a beneficiary of TPAF or PERS requests in writing that the Division of Pensions and Benefits make deductions from the beneficiary's retirement allowance or pension for the payment of premiums for the beneficiary's group health insurance plan or the State Health Benefits Program, the division may make the deductions and transmit the sums deducted to the insurance plan carrier. The bill would extend this deduction authorization option to the beneficiary's dental insurance plan premiums, provided that at least 1,000 beneficiaries under the appropriate system who are covered by the dental plan have requested such deductions to be made.

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# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

SENATE, No. 119

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with Senate committee amendments

# STATE OF NEW JERSEY

DATED: JANUARY 14, 1997

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 119 (1R) of 1996 with amendments.

Existing law provides that a beneficiary under the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS) may request the Division of Pensions and Benefits to make deductions from the beneficiary's retirement allowance or pension for the payment of premiums for a group health insurance plan or the State Health Benefits Program. This bill would require the division to deduct premium payments for a group dental insurance plan for which 1,000 or more beneficiaries have requested deductions.

In addition, the committee recommends that, upon the enactment of this bill, the State Treasurer and the Division of Pensions and Benefits negotiate with each provider of a group dental insurance plan for which deductions are made pursuant to this bill for the payment of a reasonable administrative fee to be paid to the State to cover the administrative costs of making the deductions.

### COMMITTEE AMENDMENTS

The committee amended the bill so that its provision would require deductions for any group dental insurance plan for which 1,000 or more beneficiaries of TPAF or PERS have requested deductions.

### FISCAL IMPACT

According to the Division of Pensions and Benefits, the division will incur some additional costs to administer this new deduction. At this time, the amount of that additional cost is unknown.

LEGISLATIVE FISCAL ESTIMATE TO

[First Reprint]  
SENATE, No. 119

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**STATE OF NEW JERSEY**

DATED: JANUARY 31, 1997

Senate Bill No. 119 (IR) of 1996 permits deductions from the retirement allowance or pension of a beneficiary of the Public Employees' Retirement System (PERS) or the Teachers' Pension and Annuity Fund (TPAF) for the payment of premiums for a group dental insurance plan.

The Office of Legislative notes that this bill would have virtually no impact on the State. Under current law, a beneficiary under the TPAF and the PERS may request the Division of Pensions and Benefits to make deductions from the beneficiary's retirement allowance or pension for the payment of premiums for a group health insurance plan or the State Health Benefits Program.

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.