

40A:10-23.2

LEGISLATIVE HISTORY CHECKLIST
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(Retired municipal employees--
health benefits)

NJSA: 40A:10-23.2

LAWS OF: 1994 **CHAPTER:** 30

BILL NO: A129

SPONSOR(S): Mikulak and Oros

DATE INTRODUCED: Pre-filed

COMMITTEE: **ASSEMBLY:** State Government
SENATE: State Management

AMENDED DURING PASSAGE: Yes **Amendments during passage**
First reprint enacted **denoted by superscript numbers**

DATE OF PASSAGE: **ASSEMBLY:** February 28, 1994
SENATE: March 31, 1994

DATE OF APPROVAL: May 12, 1994

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes
SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBG:pp

[FIRST REPRINT]
ASSEMBLY, No. 129

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1994 SESSION

By Assemblymen MIKULAK and OROS

1 AN ACT concerning terms of coverage for health benefits of
2 certain retired township employees and their dependents.

3

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

6 1. Notwithstanding the provisions of N.J.S.40A:10-23 or any
7 other law to the contrary, a township having a population of at
8 least 90,000 according to the ¹[1990] latest¹ federal decennial
9 census ¹and located in a county of the second class having a
10 population of at least 525,000 according to that census¹ which
11 shall have established a health insurance plan covering employees
12 in and retirants from the service of that township, and their
13 dependents, ¹[shall be liable] may by ordinance of the governing
14 body assume the liability¹ for the entire cost of continuing to
15 provide that coverage to, and ¹thereupon¹ shall pay all of the
16 premiums for, former employees of the township who¹, having
17 rendered at least 15 years of service to the township,¹ retired
18 from such employment on or before October 15, 1992 ¹and prior
19 to the attainment of age 62¹, and including the premiums for
20 coverage of the dependents of those former employees, except
21 that each of those former employees shall be liable for the
22 payment each month of such charges as shall be applicable to
23 that former employee under the schedule of retiree contributions
24 for such coverage in effect on June 30, 1993. In the event that,
25 on or after July 1, 1993 and prior to the effective date of ¹[this
26 act] such an ordinance¹, a former employee entitled to coverage
27 under this section shall have paid any charge with respect to such
28 coverage which is in excess of the amount applicable under that
29 schedule, the township shall, within 30 days of the effective date
30 of ¹[this act] the ordinance¹, reimburse the amount of that
31 excess charge to the former employee.

32 The provisions of this section shall not apply to a former
33 employee who retired on a disability pension or after 25 years' or
34 more service with the employer, or who retired and reached the
35 age of 62 or older with at least 15 years of service with the
36 employer.

37 2. This act shall take effect immediately.

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42 Permits certain townships to assume liability for cost of
43 continuing to provide part-paid health benefits coverage to
44 certain retired township employees and their dependents.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is 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 ASG committee amendments adopted February 10, 1994.

ASSEMBLY, No. 129
STATE OF NEW JERSEY

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Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1994 SESSION

By Assemblymen MIKULAK and OROS

1 AN ACT concerning terms of coverage for health benefits of
2 certain retired township employees and their dependents.

3

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

6 1. Notwithstanding the provisions of N.J.S.40A:10-23 or any
7 other law to the contrary, a township having a population of at
8 least 90,000 according to the 1990 federal decennial census which
9 shall have established a health insurance plan covering employees
10 in and retirants from the service of that township, and their
11 dependents, shall be liable for the entire cost of continuing to
12 provide that coverage to, and shall pay all of the premiums for,
13 former employees of the township who retired from such
14 employment on or before October 15, 1992, and including the
15 premiums for coverage of the dependents of those former
16 employees, except that each of those former employees shall be
17 liable for the payment each month of such charges as shall be
18 applicable to that former employee under the schedule of retiree
19 contributions for such coverage in effect on June 30, 1993. In the
20 event that, on or after July 1, 1993 and prior to the effective
21 date of this act, a former employee entitled to coverage under
22 this section shall have paid any charge with respect to such
23 coverage which is in excess of the amount applicable under that
24 schedule, the township shall, within 30 days of the effective date
25 of this act, reimburse the amount of that excess charge to the
26 former employee.

27 The provisions of this section shall not apply to a former
28 employee who retired on a disability pension or after 25 years' or
29 more service with the employer, or who retired and reached the
30 age of 62 or older with at least 15 years of service with the
31 employer.

32 2. This act shall take effect immediately.

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STATEMENT

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37 This bill provides that a township having a population of at
38 least 90,000 according to the 1990 federal decennial census which
39 shall have established a health insurance plan covering employees
40 in and retirants from the service of that township, and their
41 dependents, shall be liable for the entire cost of continuing to
42 provide that coverage to, and shall pay all of the premiums for,
43 former employees of the township who retired from such
44 employment on or before October 15, 1992, and their
45 dependents. The former employees shall, however, be liable for

1 the payment each month of any charges applicable under the
2 schedule of retiree contributions for such coverage in effect on
3 June 30, 1993.

4 This legislation would provide relief for a small, closed class of
5 retirees from service with a municipality which agreed prior to
6 their retirement to pay most of the cost of maintaining health
7 benefits coverage for themselves and their dependents,
8 notwithstanding that, under the applicable statute
9 (N.J.S.A.40A:10-23), the retirees were eligible for such coverage
10 only if they paid the entire cost of the coverage themselves. The
11 employer has initiated legal action to revoke its agreement and
12 to compel the retirees to pay the full cost of their health
13 insurance coverage, even though they are without fault in the
14 matter. This bill establishes an explicit statutory basis for the
15 municipality's obligation to the retirees under its agreement, and
16 thus would protect their reasonable expectations.

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21 Permits certain retired township employees and their dependents
22 to continue to receive part-paid coverage for health benefits.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 129

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 10, 1994

The Assembly State Government Committee reports favorably and with committee amendments Assembly Bill No. 129.

This bill provides that a township which has a population of at least 90,000 and is located in a county having a population of at least 525,000, according to the latest federal decennial census, and which shall have established a health insurance plan covering employees in and retirants from the service of that township, and their dependents, may by ordinance assume liability for the entire cost of continuing to provide that coverage to, and thereupon shall pay all of the premiums for, former employees of the township who, having rendered at least 15 years of service to the township, retired from such employment on or before October 15, 1992 and prior to having attained age 62, and their dependents. The former employees shall, however, be liable for the payment each month of any charges applicable under the schedule of retiree contributions for such coverage in effect on June 30, 1993.

This bill was pre-filed for introduction in the 1994 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.

COMMITTEE AMENDMENTS

The committee adopted amendments to this legislation to (1) specify more narrowly the class of municipalities to which it is applicable, (2) provide that the assumption of liability for the cost of health benefits under the legislation is not to be mandatory, but is to apply only pursuant to the adoption by such a municipality of an appropriate ordinance, and (3) incorporate the service and age requirements.

SENATE STATE MANAGEMENT, INVESTMENTS
AND FINANCIAL INSTITUTIONS COMMITTEE

STATEMENT TO

[FIRST REPRINT]

ASSEMBLY, No. 129

STATE OF NEW JERSEY

DATED: MARCH 21, 1994

The Senate State Management, Investments and Financial Institutions Committee reports favorably Assembly Bill No. 129 (1R).

This bill provides that a township which has a population of at least 90,000 and is located in a county of the second class having a population of at least 525,000, according to the latest federal decennial census, and which has established a health insurance plan for employees in and retirants from the service of that township, and their dependents, may by ordinance assume the liability for the entire cost of continuing to provide that coverage to, and thereupon shall pay all of the premiums for, former employees of the township who, having rendered at least 15 years of service to the township, retired from such employment on or before October 15, 1992 and prior to having attained age 62, and their dependents. The former employees shall, however, be liable for the payment each month of any charges applicable under the schedule of retiree contributions for such coverage in effect on June 30, 1993.