

52:14-17.31

LEGISLATIVE HISTORY CHECKLIST
Compiled by the NJ State Law Library

(Substitute teachers--
SHBP coverage)

NJSA: 52:14-17.31

LAWS OF: 1994 **CHAPTER:** 40

BILL NO: S330

SPONSOR(S): McNamara

DATE INTRODUCED: Pre-filed

COMMITTEE: **ASSEMBLY:** State Government
SENATE: Education

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

DATE OF PASSAGE: **ASSEMBLY:** May 9, 1994
SENATE: March 15, 1994

DATE OF APPROVAL: June 21, 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

LAW LIBRARY COPY
DO NOT REMOVE

[FIRST REPRINT]
SENATE, No. 330
STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1994 SESSION

By Senator McNAMARA

1 AN ACT concerning enrollment in the State Health Benefits
2 Program and amending P.L.1961, c.49.

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

6 1. Section 7 of P.L.1961, c.49 (C.52:14-17.31) is amended to
7 read as follows:

8 7. The coverage provided solely for employees shall, subject to
9 the provisions below, automatically become effective for all
10 eligible employees from the first day on or after the effective
11 date of the program on which they satisfy the definition of
12 "employee" contained in this act. The commission shall establish
13 such rules and regulations governing the enrollment and effective
14 dates of coverage of dependents of employees as it deems are
15 necessary or desirable. Such rules and regulations shall not defer
16 the insurance with respect to any qualified dependent an
17 employee has on the date the employee's employer becomes a
18 participating employer, provided the employee was, immediately
19 prior to said date, insured with respect to such dependent under a
20 group major medical insurance plan of such employer which was
21 in effect immediately prior to said date. Under the rules and
22 regulations established by the commission, each employee shall
23 be given the opportunity to enroll for coverage for his dependents
24 as of the earliest date he becomes eligible for such enrollment.
25 An employee may elect to enroll his dependents for both basic
26 coverage and major medical expense coverage but may not enroll
27 for either coverage alone.

28 If, on the date coverage for an employee would become
29 effective, he is not actively at work on full time at his customary
30 place of employment or other location to which his employment
31 requires him to travel, he shall not be covered until he is so
32 actively at work, except such employee shall be covered, if on
33 the date the employee's employer becomes a participating
34 employer, said employee was, immediately prior to said date,
35 insured under a group major medical insurance plan of such
36 employer which was in effect immediately prior to said date.

37 In the event that the group major medical plan which covered
38 an employee or his dependents immediately prior to the date the
39 employee's employer becomes a participating employer provides,
40 after termination of coverage thereunder, any continuation of
41 benefits for medical expenses for hospitalization, surgery,
42 medical treatment or any related service or supply, or would so

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 Senate SED committee amendments adopted February 10, 1994.

1 provide in the absence of coverage pursuant to this act, no
2 coverage shall be afforded pursuant to this act for any such
3 expenses (i) which are covered, or which would be covered in the
4 absence of coverage pursuant to this act, in whole or in part, by
5 such prior insurance plan or (ii) which may be used in satisfaction
6 of any deductible requirement under such prior insurance plan to
7 establish entitlement to such continuation of benefits.

8 Each employee shall furnish the Division of Pensions, in such
9 form as is prescribed, such information as is necessary on account
10 of his own coverage and as necessary to enroll his dependents.
11 Any employee not desiring coverage at the time he first becomes
12 eligible, shall give the division written notice of that fact in such
13 form as the division may prescribe. Such employee may not enroll
14 thereafter except at such times and under such conditions as the
15 commission may prescribe.

16 If an employee of an employer other than the State eligible for
17 coverage has a spouse who is also an employee of an employer
18 other than the State eligible for coverage, the spouse may elect
19 single coverage as an employee and to enroll as a dependent, in
20 which event no coverage shall be provided for such spouse as an
21 employee while covered as a dependent. The employee of an
22 employer other than the State, who has enrolled such spouse, and
23 who is required to pay the full cost of dependent coverage, may
24 receive a refund from the State Division of Pensions equivalent in
25 amount to the employer's cost for an employee's coverage.
26 When both husband and wife are covered as employees, only one
27 may enroll for their children as dependents.

28 A similar refund shall be authorized pursuant to such rules and
29 regulations as the commission deems necessary or desirable in the
30 case of an employee of an employer other than the State who is
31 paying the full cost of dependent coverage for a spouse who is an
32 employee of the State and eligible for coverage.

33 Any person employed as a substitute teacher ¹[on a per diem
34 basis]¹ by a school district ¹and who provides evidence of
35 coverage under another health benefits program¹ may waive
36 coverage for the current school year on or after the date on
37 which the person becomes an employee eligible for coverage.

38 (cf: P.L.1972, c.75, s.6)

39 2. This act shall take immediately.
40
41
42
43

44 _____
45 Allows substitute teachers to waive State Health Benefits
Program coverage.

1 provide in the absence of coverage pursuant to this act, no
2 coverage shall be afforded pursuant to this act for any such
3 expenses (i) which are covered, or which would be covered in the
4 absence of coverage pursuant to this act, in whole or in part, by
5 such prior insurance plan or (ii) which may be used in satisfaction
6 of any deductible requirement under such prior insurance plan to
7 establish entitlement to such continuation of benefits.

8 Each employee shall furnish the Division of Pensions, in such
9 form as is prescribed, such information as is necessary on account
10 of his own coverage and as necessary to enroll his dependents.
11 Any employee not desiring coverage at the time he first becomes
12 eligible, shall give the division written notice of that fact in such
13 form as the division may prescribe. Such employee may not enroll
14 thereafter except at such times and under such conditions as the
15 commission may prescribe.

16 If an employee of an employer other than the State eligible for
17 coverage has a spouse who is also an employee of an employer
18 other than the State eligible for coverage, the spouse may elect
19 single coverage as an employee and to enroll as a dependent, in
20 which event no coverage shall be provided for such spouse as an
21 employee while covered as a dependent. The employee of an
22 employer other than the State, who has enrolled such spouse, and
23 who is required to pay the full cost of dependent coverage, may
24 receive a refund from the State Division of Pensions equivalent in
25 amount to the employer's cost for an employee's coverage.
26 When both husband and wife are covered as employees, only one
27 may enroll for their children as dependents.

28 A similar refund shall be authorized pursuant to such rules and
29 regulations as the commission deems necessary or desirable in the
30 case of an employee of an employer other than the State who is
31 paying the full cost of dependent coverage for a spouse who is an
32 employee of the State and eligible for coverage.

33 Any person employed as a substitute teacher on a per diem
34 basis by a school district may waive coverage for the current
35 school year on or after the date on which the person becomes an
36 employee eligible for coverage.

37 (cf: P.L.1972, c.75, s.6)

38 2. This act shall take immediately.

41 STATEMENT

42
43 This bill allows any person employed as a substitute teacher on
44 a per diem basis by a school district to waive coverage in the
45 State Health Benefits Program (SHBP) for the current school year
46 on or after the date on which the substitute teacher becomes an
47 employee eligible for such coverage. Currently, teachers who
48 teach 20 hours or more per week, or 100 days or more per school
49 year, satisfy the definition of full-time employee and are eligible
50 to enroll in the SHBP. Consequently, to save the additional
51 expense of health care benefits, a school district may limit the
52 employment of a substitute teacher to fewer than 20 hours per
53 week and fewer than 100 days per year. N.J.A.C. 17:9-1.8 states
54 that an employer shall not offer a financial enticement of cash or

1 anything else of value to an employee who elects not to enroll in
2 the SHBP. Thus, a substitute teacher is unable to waive SHBP
3 coverage, allowing a school district to employ the substitute
4 teacher more frequently without the expense of SHBP coverage,
5 because the additional days of employment may be viewed as a
6 financial enticement. This bill permits such a waiver.

7

8

9

10

11 Allows substitute teachers to waive State Health Benefits
12 Program coverage.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO
[FIRST REPRINT]
SENATE, No. 330

STATE OF NEW JERSEY

DATED: MARCH 24, 1994

The Assembly State Government Committee reports favorably Senate Bill No. 330 (1R).

This bill allows any person employed as a substitute teacher by a school district who provides evidence of coverage under another health benefits program to waive coverage in the State Health Benefits Program (SHBP) for the current school year on or after the date on which the substitute teacher becomes an employee eligible for such coverage.

Currently, teachers who teach 20 hours or more per week, or 100 days or more per school year, satisfy the definition of full-time employee and are eligible to enroll in the SHBP. Consequently, to save the additional expense of health care benefits, some school districts that participate in the SHBP limit the employment of a substitute teacher to fewer than 20 hours per week and fewer than 100 days per year. N.J.A.C.17:9-1.8 states that an employer shall not offer a financial enticement of cash or anything else of value to an employee who elects not to enroll in the SHBP. Because the additional days of employment may be viewed as a financial enticement, a substitute teacher is unable to waive SHBP coverage so as to allow a school district to employ the substitute teacher more frequently without the expense of SHBP coverage. This bill permits such a waiver.

SENATE EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 330

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 10, 1994

The Senate Education Committee favorably reports Senate Bill No. 330 with committee amendments.

As amended, this bill allows any person employed as a substitute teacher by a school district and who provides evidence of coverage under another health benefits program to waive coverage in the State Health Benefits Program (SHBP) for the current school year on or after the date on which the substitute teacher becomes an employee eligible for such coverage. Currently, teachers who teach 20 hours or more per week, or 100 days or more per school year, satisfy the definition of full-time employee and are eligible to enroll in the SHBP. Consequently, to save the additional expense of health care benefits, a school district may limit the employment of a substitute teacher to fewer than 20 hours per week and fewer than 100 days per year. N.J.A.C.17:9-1.8 states that an employer shall not offer a financial enticement of cash or anything else of value to an employee who elects not to enroll in the SHBP. Thus, a substitute teacher is unable to waive SHBP coverage, allowing a school district to employ the substitute teacher more frequently without the expense of SHBP coverage, because the additional days of employment may be viewed as a financial enticement. This bill permits such a waiver.

The committee amended the bill to delete the reference to employment on a per diem basis and to require the substitute teacher to provide evidence of coverage under another health benefits program.

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.