

40A:10-23

LEGISLATIVE HISTORY CHECKLIST
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(Local government retirees--health care)

NJSA: 40A:10-23

LAWS OF: 1995 **CHAPTER:** 136

BILL NO: A2588

SPONSOR(S): Augustine

DATE INTRODUCED: February 23, 1995

COMMITTEE: **ASSEMBLY:** Local Government

SENATE:

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

DATE OF PASSAGE: **ASSEMBLY:** May 1, 1995

SENATE: May 25, 1995

DATE OF APPROVAL: June 26, 1995

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: No

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBG:pp

P.L.1995, CHAPTER 136, approved June 26, 1995
1995 Assembly No. 2586 (First Reprint)

1 AN ACT concerning the payment by local government employers
2 of health care premiums after the retirement of certain local
3 employees and amending N.J.S.40A:10-23.
4

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

7 1. N.J.S.40A:10-23 is amended to read as follows:

8 40A:10-23. Retired employees shall be required to pay for the
9 entire cost of coverage for themselves and their dependents at
10 rates which are deemed to be adequate to cover the benefits, as
11 affected by Medicare, of the retired employees and their
12 dependents on the basis of the utilization of services which may
13 be reasonably expected of the older age classification; provided,
14 however, that the total rate payable by a retired employee for
15 himself and his dependents, for coverage under the contract and
16 for Part B of Medicare, shall not exceed by more than 25% the
17 total amount that would have been required to have been paid by
18 the employee and his employer for the coverage maintained had
19 he continued in office or active employment and he and his
20 dependents were not eligible for Medicare benefits.

21 The employer may, in its discretion, assume the entire cost of
22 such coverage and pay all of the premiums for employees ^{1a.1}
23 who have retired on a disability pension, or ^{1b.1} who have retired
24 after 25 ¹[years' or more service with the employer.] years or
25 more of service credit in a State or locally administered
26 retirement system and a period of service of up to 25 years with
27 the employer at the time of retirement, such period of service to
28 be determined by the employer and set forth in an ordinance or
29 resolution as appropriate,¹ or ^{1c.1} who have retired and reached
30 the age of 65 ¹years¹ or older with 25 years or more of service
31 ¹credit in a State or locally administered retirement system and
32 a period of service of up to 25 years¹ with the employer ¹at the
33 time of retirement, such period of service to be determined by
34 the employer and set forth in an ordinance or resolution as
35 appropriate¹, or ^{1d.1} who have retired and reached the age of 62
36 ¹years¹ or older with at least 15 years of service with the
37 employer, including the premiums on their dependents, if any,
38 under uniform conditions as the governing body of the local unit
39 shall prescribe. The period of time a county law enforcement
40 officer has been employed by any county or municipal police
41 department, sheriff's department or county prosecutor's office,
42 may be counted cumulatively as "service with the employer" for
43 the purpose of qualifying for payment of health insurance

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:
Assembly ALG committee amendments adopted March 27, 1995.

A2588 [1R]

2

1 premiums by the county pursuant to this section.
2 (cf: P.L.1993, c.300, s.1)

3 2. This act shall take effect immediately.

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8 _____
8 Permits local government employers to pay health care premiums
9 for employees who retire at age 65 or older after 25 years or
10 more of service with the employer.

ASSEMBLY, No. 2588

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 23, 1995

By Assemblyman AUGUSTINE

1 AN ACT concerning the payment by local government employers
2 of health care premiums after the retirement of certain local
3 employees and amending N.J.S.40A:10-23.

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

7 1. N.J.S.40A:10-23 is amended to read as follows:
8 40A:10-23. Retired employees shall be required to pay for the
9 entire cost of coverage for themselves and their dependents at
10 rates which are deemed to be adequate to cover the benefits, as
11 affected by Medicare, of the retired employees and their
12 dependents on the basis of the utilization of services which may
13 be reasonably expected of the older age classification; provided,
14 however, that the total rate payable by a retired employee for
15 himself and his dependents, for coverage under the contract and
16 for Part B of Medicare, shall not exceed by more than 25% the
17 total amount that would have been required to have been paid by
18 the employee and his employer for the coverage maintained had
19 he continued in office or active employment and he and his
20 dependents were not eligible for Medicare benefits.

21 The employer may, in its discretion, assume the entire cost of
22 such coverage and pay all of the premiums for employees who
23 have retired on a disability pension, or who have retired after 25
24 years' or more service with the employer, or who have retired
25 and reached the age of 65 or older with 25 years or more of
26 service with the employer, or who have retired and reached the
27 age of 62 or older with at least 15 years of service with the
28 employer, including the premiums on their dependents, if any,
29 under uniform conditions as the governing body of the local unit
30 shall prescribe. The period of time a county law enforcement
31 officer has been employed by any county or municipal police
32 department, sheriff's department or county prosecutor's office,
33 may be counted cumulatively as "service with the employer" for
34 the purpose of qualifying for payment of health insurance
35 premiums by the county pursuant to this section.

36 (cf: P.L.1993, c.300, s.1)

37 2. This act shall take effect immediately.

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STATEMENT

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42 This bill provides an additional category of retired employee
43 for whom counties and municipalities may, in their discretion,
44 provide payment of all health benefits premiums.

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.

1 Under current law, local governments may, in their discretion,
2 provide payment of all health benefits premiums for employees
3 (and their dependents) who have retired on a disability pension or
4 after 25 years or more of service with the employer, or who have
5 retired and reached the age of 62 or older with at least 15 years
6 of service with the employer. This bill would add the additional
7 category of an employee who has retired and reached the age of
8 65 or older with 25 years or more of service with the
9 employer. This additional category would permit a local
10 government employer to provide paid health benefits to retirees
11 who have worked for 25 or more years for the employer, but
12 would enable the local government employer to contain the costs
13 of such benefits to local taxpayers by restricting the payment of
14 those benefits to persons who retire after reaching the age of 65
15 years.

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20 Permits local government employers to pay health care premiums
21 for employees who retire at age 65 or older after 25 years or
22 more of service with the employer.

ASSEMBLY LOCAL GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2588

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 27, 1995

The Assembly Local Government Committee favorably reports Assembly Bill No. 2588 with committee amendments.

Assembly Bill No. 2588, as amended, broadens the categories of employees for whom municipalities and counties may choose to assume the entire cost of providing health and hospital benefit coverage after the employees' retirement.

The categories will be employees who have retired:

- * on a disability pension;
 - * with 25 years or more of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement, such period to be determined by the employer;
 - * at the age of 65 years or older with 25 years or more of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement, such period to be determined by the employer;
- or
- * at the age of 62 years or older with at least 15 years of service with the employer.

The committee amended the bill to broaden the categories of employees for whom a local government could choose to pay health benefits after retirement. The committee's amendments include employees who have aggregated sufficient service credits in one or more State or locally administered retirement systems.

As amended, Assembly Bill No. 2588 is identical to Senate Bill No. 1603 (1R).