

**Pension and Health Benefits Review Commission
Vote Results
May 14, 2010**

A-2498 (Moriarty)

Prohibits certain TPAF and PERS members from receiving service credit while on leave with labor organization.

Motion: Recommends support with amendments, to include members of the PFRS and SPRS, and to require employers to adopt a policy supporting such leaves of absence, and to take a formal action to approve a specific leave of absence with labor organizations.

Discussion: The Commission encourages the bill sponsor to amend the bill. First, to include the members of the PFRS and SPRS, without which there is a disparity among the various retirement systems. In addition, the bill as written identifies the following requirements for service credit to be permitted in TPAF or PERS only: 1) the collective negotiations agreement in force when the leave commences contains a provision permitting leaves of absence, or 2) if the employer has a policy permitting leaves of absence, or 3) if the employer takes formal action approving the leave. The Commission recommends that the approval of a leave of absence by the employer be more specific: a) local employers should take formal action by having their governing bodies approve a resolution authorizing a specific leave of absence for labor organizations, in order to ensure that the public is aware that the parties concerned are consenting to this special employment arrangement, and; b) state government should include the authority for leaves of absence for a labor organization in the collective bargaining agreement.

Otherwise, the bill as written is solely a restatement of current requirements.

A-2499 (Moriarty)

Prohibits employees of certain organizations from enrolling in State-administered retirement system or health care plan of public employer.

Motion: Recommends support with amendments, to make the bill prospective only and to seek legal guidance of tax counsel since this bill as written may jeopardize the tax qualified status of the retirement plans.

Discussion: The Commission supports the bill but is concerned with maintaining the tax qualified status of the retirement plans, if the plan were to allow termination of pension membership for employees with less than five years of service. Current State law provides members of any of the State-administered pension plans with a non-forfeitable right to receive benefits upon the attainment of five years of service credit in the retirement system. In contrast, this bill would allow only employees of these entities with five or more years of pension system credit to continue their membership in PERS. Consequently, individuals employed by these entities for less than five years will be treated differently from a pension perspective, and that raises the tax question. Advice of tax counsel should be sought prior to this bill's enactment regarding the applicability of federal rules that could result in jeopardizing the continued qualification of the pension system.

A-2548 (Scalera)

Requires health insurers, SHBP and SEHBP to provide coverage for vision rehabilitation services to covered person experiencing sudden onset of blindness.

Motion: Recommend not to enact.

Discussion: The Commission is concerned that this bill would mandate the coverage for all health insurance policies issued in the State, including the State Health Benefits Program and the School Employees' Health Benefit Program. Such mandates remove the right of SHBP and SEHBP to review medical procedures and charges, and such mandates generally tend to continue to place the health insurance industry outside of the "free enterprise" system and increases costs of health insurance for both the employer provided coverage and individual policies.

SR-41 (Weinberg)

Urges part-time members of State or local government boards, commissions, and authorities to waive portion of compensation received and reimburse public entity for pension contribution.

Motion: Recommends support of the resolution.

Discussion: The Commission supports this resolution since its objective is to curtail pension benefits costs for the State and local government employers.

S-1770 (Van Drew)

Reinstates PFRS and SPRS accidental death benefits to certain surviving spouses who remarried.

Motion: Recommend not to enact since it creates a greater disparity among the retirement systems, it would apply to such a small population that it may be perceived as special legislation.

Discussion: The enactment of P.L. 2003, c.181 which was effective September 12, 2003 provides that a surviving spouse of PFRS and SPRS may remarry without losing the benefits. Since this bill is retroactive in nature it appears to be special legislation. Further, since the bill impacts only PFRS and SPRS, its enactment would create a disparity among the other State-administered plans relating to the accidental death survivor's pension. State and local employer pension costs will increase if this bill is enacted. Additionally, State health benefit costs will increase, since SPRS and PFRS law requires that in the case of an accidental death, the State must pay for health benefit coverage for the surviving spouse and dependent children, even for local members of the PFRS.