

Pension and Health Benefits Review Commission Vote Results January 30, 2015

S-195 (Connors/Van Drew)/A-381 (Tucker/Singleton/Wilson/Conaway/Johnson)

Broadens eligibility for certain veterans' benefits by eliminating requirement of service during specified dates or in specified locations.

Motion: Recommend not to enact.

Discussion: Although the intent of the bill is noble, its enactment will increase employer pension costs significantly without providing a funding source. State pension costs will be particularly impacted, since the bill specifies that the State will also be liable for the increased local employer pension costs resulting from this bill.

S-970 (Connors)/A-2238 (Gove/Rumpf)

"Breann's Law" requires health insurers, the State Health Benefits Program and NJ FamilyCare to provide "out of network" coverage for children with catastrophic illnesses.

Motion: Recommend not to enact.

Discussion: The Commission does not support the enactment of this bill since it will increase State and local employer SHBP/SEHBP costs. The bill is inconsistent with plan design and cost controls inherent in a program like the SHBP/SEHBP where the participating insurance carriers have entered into special contractual arrangements with doctors to develop an extensive nationwide network of providers that provide medical services at costs predetermined to be "reasonable and customary." Additionally, the bill does not adequately define "catastrophic illness."

A-1689 (Wisniewski/Greenwald)

Permits municipality, fire district or authority to approve transfer of certain firefighters from PERS to PFRS.

Motion: Recommend not to enact.

Discussion: The enactment of this bill would create a disparity in the age 35 enrollment limit that applies to all police and firemen eligible to participate in the PFRS. It's difficult to justify providing an exemption to the age 35 enrollment limit to a small group of volunteer firemen, especially when they knew their positions would be covered by the Public Employees' Retirement System (PERS) when they became employed as paid firefighters. The bill would increase both State and local employer pension costs.

A-3812 (Ciattarelli/Lagana)

Increases period over which compensation is averaged for calculation of TPAF and PERS pensions when member has different employer just before retirement or for fiscal year of highest compensation.

Motion: Recommend not to enact.

Discussion: The Commission does not support enactment of this bill because other pension reforms have already been instituted to curtail pension spiking. Consequently, the additional administrative costs associated with the bill may not outweigh its benefits. The non-forfeitable pension rights provision of N.J.S.A. 43:3C-9.5 as it applies to grandfathered public employees may make this bill unenforceable.

A-3830 (Conaway/Benson/Vainieri Huttie)

Requires health benefits coverage for buprenorphine and buprenorphine/naloxone under certain conditions.

Motion: Recommend not to enact.

Discussion: The Commission is concerned that this bill will increase employer plan costs, usurps the authority of the SHBP/SEHBP Plan Design Committees and the coverage mandated by this bill is already provided under the SHBP/SEHBP under the same terms and conditions as for other prescribed medications. Its enactment would treat coverage for the medications addressed by this bill differently than other medications prescribed for other chronic conditions.

SCR-148 (Gill/Singer)/ACR186/129 Acs (ACS)

(McKeon/Wolfe/Pinkin/Ciattarelli/Eustace/Diegnan/Peterson)

Proposes constitutional amendment to increase mandatory retirement age for judges from 70 to 75.

Motion: Recommend to enact.

Discussion: The Commission at its October 31, 2014 meeting recommended enactment of A-3706/528 ACS, a bill that would amend the JRS statutes increasing the mandatory retirement age for members of the JRS from 70 to 75. However, since the State constitution contains a provision requiring Supreme Court Justices and Superior Court judges to retire at age 70, it requires amending before the provisions of A-3706/528 ACS take effect as it applies to Superior Court Judges. Neither this resolution, nor A-3706/528 ACS applies to Supreme Court Justices, who are also members of the JRS but would continue to require mandatory retirement upon attaining age 70.