

**Pension and Health Benefits Review Commission  
Vote Results  
June 8, 2007**

**S-2414 (Doria/Kavanaugh)/A-3805 (Steele)**

Establishes the "Equal Benefits Act of 2007."

**Motion:** Recommend not to enact since it will increase pension and health benefits costs and may create the potential for abuse.

**Discussion:** There are additional costs associated with the enactment of this bill. On the State side, the SHBP cost would increase an additional \$10 million and on the local side an additional \$16.2 million. Pension costs would also increase for both State and local government.

**S-2570 (Bark/Allen)**

Makes membership in PERS optional for all elected officials and certain appointed officials.

**Motion:** Recommend not to enact because of the recent legislation enacted P.L. 2007, c. 92.

**Discussion:** The provisions in Chapter 92 would place all future officials, elected and appointed on or after July 1, 2007, in a defined contribution plan (DC) as opposed to PERS. Additionally, it closes the Workers Compensation Judges Part of PERS to new members as of Chapter 92's June 8, 2007 effective date. Chapter 92 mandates DC plan participation, but allows an irrevocable election to opt out only at the commencement of service and only if the person's annual base salary is less than \$5,000. Consequently, this bill's provisions relating to future PERS members would not be applicable. However, S-2570 would allow elected and appointed officials and members of the Workers Compensation Part and the Prosecutors Part of PERS whose continued membership in PERS was grandfathered by Chapter 92 to opt out of PERS also.

**S-2593 (Kyrillos)/A-4080 (Thompson)**

Special legislation to permit appointment of John O'Connor to the Keansburg Police Department and enrollment in PFRS.

**Motion:** Recommend not to enact since the bill is special legislation.

**Discussion:** The Commission usually does not endorse special legislation. The enactment of this bill would promote future exceptions to the police and firemen hiring age restrictions.

**A-4079 (Thompson)**

Special legislation to permit appointment of Guillermo Rivera, Jr. to the Keansburg Police Department and enrollment in PFRS.

**Motion:** Recommend not to enact since the bill is special legislation.

**Discussion:** The Commission usually does not endorse special legislation. The enactment of this bill would promote future exceptions to the police and firemen hiring age restrictions.

**S-2612 (Lance)/A-3811 (Doherty)**

Defines compensation for calculation of PERS contributions and benefits as amount taxed for Social Security purposes for new members.

**Motion:** Recommend conditional support for enactment.

**Discussion:** The Commission supports the intent of this bill as a means to curtailing the abusive practice known as pension padding or boosting and is anticipating a much broader bill that will include the provisions of the State union contract.

**A-4050 (Conaway/Vainieri Huttle)**

Requires insurers and State health care coverage programs to cover cost of HPV and establishes public awareness campaign about HPV.

**Motion:** Recommend not to enact since it continues the questionable practice of mandating health benefit coverage.

**Discussion:** The enactment of this bill would mandate coverage for the HPV vaccine in the Traditional Plan and NJ PLUS out-of-network, which currently does not provide this coverage. This vaccine is currently covered under the NJ PLUS in-network plan and the HMO's participating in the SHBP. This bill continues the questionable practice of mandating health benefit coverage which generally tends to place the health insurance industry outside of the "free enterprise" system and drives up the cost of health insurance for both the employer provided coverage and individual policies. The annual State and local employer SHBP premiums are estimated to increase to an additional \$2.2 million.